We will obtain a vote on one amendment tomorrow under the unanimous-consent agreement; but it seems to me that the Senate will either have to hold a session every evening or else meet from 11 in the morning until 6 in the evening each day, in order that we may finally reach some decision on the questions involved in the proposed labor legislation. They are perfectly reasonable, simple questions, and they can be debated and disposed of in a short time.

Many other matters of great importance are awaiting action by the Senate, and many important measures are now on the calendar. So I do not think the Senate should indefinitely proceed to debate any one measure, even one so important as the bill which is now the unfinished business.

Mr. LUCAS. Mr. President, will the Senator yield for an observation?

Mr. TAFT. I yield.

Mr. LUCAS. In partial reply to the comment made by the Senator from Idaho [Mr. DWORSHAK], giving somewhat of a lecture to Members of the Senate as to why they should be present, I should like to say that, so far as the Senator from Illinois is concerned, he has been busily engaged in listening to the expert testimony on the tax bill known as House bill 1, which now is the subject of hearings by the Finance Committee. Obviously it is impossible for a Senator to be in two places at the same time. I dare say that if the Senator from Idaho is interested in a reclamation project in the West and is a member of a committee dealing with it, and if the matter is of considerable importance, he will not be on the floor of the Senate all the time, but he will be trying to protect the interests of his section of the country, as it is his bounden duty to do.

I do not feel that the criticism which has been made is really just. It is rather difficult to keep Senators on the floor of the Senate all the time.

So far as I am concerned, the quorum call can go on; and if the Senator makes another speech on that matter, I shall suggest the absence of a quorum.

Mr. DWORSHAK. Mr. President, I certainly did not intend to deliver a lecture to the Members of this distinguished body. I recognize that much important work is transacted in the various committees, and I have no desire to be critical of the acting minority leader or any other Member of the Senate.

I wish to assure my colleague from Illinois that I, too, am a member of an important committee of this body; and if he will check the records, he will find that the Appropriations Committee and the 12 subcommittees thereof hold daily hearings throughout the entire session, and that the members of the Appropriations Committee are required to discharge their duties the same as Senators who are members of committees which meet infrequently. I certainly had no intention of lecturing the Members of this body.

But, Mr. President, I reiterate that we have heard much about the necessity of having the Senate and the House transact business during the present critical and important session. We have considered the advisability of holding sessions 6 days every week and of holding evening sessions.

I wonder how we can transact all the business we are expected to transact, with only 3 months remaining, under the provisions of the Reorganization Act, before we are expected to adjourn or take a recess for the summer. All Senators must realize that there are 10 appropriation bills to be considered by subcommittees of the Senate Appropriations Committee, and later to be considered on the floor of the Senate, during the next 2 months, because there remain only 2 months of the current fiscal year; and of course the appropriation bills are expected to clear this body and the House of Representatives prior to June 30.

So, Mr. President, I do not think I was out of order in saying what I did. Neither was I desirous of delivering a lecture to the older members of this body. I certainly regret that the acting minority leader found it necessary to make the comment which he did make.

If, on the other hand, I am not in order when I suggest the advisability of holding sessions so that the Senate may dispose of pending matters with reasonable diligence, then I have no other comment to make. Probably I shall learn a little more about the operations and procedures of this body as time goes on; but I am cognizant of the fact that many citizens of this Nation expect some forthright and vigorous action to be taken by this body and by the other branch of the Congress, and I am objecting to conduct which may be regarded as justification for many of the complaints which have been made of us in the newspapers and in radio broadcasts which constantly are critical of this body because we do not continue in session and take the action which the country is demanding of us.

Mr. LUCAS. Mr. President, I do not wish to labor this question and I was not attempting to be critical of the Senator from Idaho. If he wishes to criticize any group of Senators, he should criticize the majority, not the minority, because the majority has complete control of what is done in the Senate.

Every so often we receive verbal spankings by some new Member of the Senate. That is perfectly all right, and I think perhaps they do some good. However, if a Republican Senator is going to lecture or criticize any Senator for not being on the floor of the Senate, he should direct his remarks at the Members of his own party.

We on the Democratic side of the aisle will try to help muster a majority on a quorum call any time a Senator wishes to suggest the absence of a quorum. If the Senator wishes to have a quorum call at this time, that will be perfectly satisfactory to me, and I shall try to round up as many Democratic Senators as I can.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947; and for other purposes, and it was signed by the President pro tempore.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Owen McIntosh Burns, of Pennsylvania, to be United States attorney for the western district of Pennsylvania, vice Charles F. Uhl, term expired, which was referred to the Committee on the Judiciary.

RECESS

Mr. WHERRY. I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 3 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 2, 1947, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate May 1 (legislative day of April 21), 1947:

UNITED STATES ATTORNEY

Owen McIntosh Burns, of Pennsylvania, to be United States attorney for the western district of Pennsylvania, vice Charles F. Uhl, term expired.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 1, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, whose being is without beginning and without ending, and whose mercy is from everlasting to everlasting, whatever the needs of this day may be, impart to us Thy gracious spirit. Inspire us with the loftiest conceptions of truth and right, that by faith and courage we may hasten the dominion of Thy kingdom of peace and happiness and brotherly love toward all men. Kindle the flames of devotion upon the altars of our hearts, so that in our hopes and aspirations we shall more and more reach out toward Thee.

Grant Thy blessing upon our distinguished guest, as his visitation to our country symbolizes the harmony and understanding between our peoples. We pray that time may intensify and seal the spirit of unity, and that our common interests may be evidenced by mutual cooperation and respect.

In the name of the world's Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

RECESS

The SPEAKER. The Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 4 minutes p. m.) the House stood in recess subject to the call of the Chair.

JOINT MEETING OF THE HOUSE AND SENATE TO HEAR AN ADDRESS BY HIS EXCELLENCY MIGUEL ALEMAN, PRESIDENT OF THE UNITED MEXICAN STATES

At 12 o'clock and 14 minutes p. m., the Doorkeeper announced the President pro tempore of the Senate and the Members of the United States Senate.

The Senate, preceded by the President pro tempore of the Senate and by their Secretary and Sergeant at Arms, entered the Hall of the House of Representatives.

The PRESIDENT pro tempore of the Senate took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. The Chair appoints on the part of the House as members of the committee to conduct the President of the United Mexican States into the Chamber the gentleman from Indiana [Mr. HALLECK], the gentleman from New Jersey [Mr. EATON], the gentleman from Texas [Mr. RAYBURN], and the gentleman from New York [Mr. BLOOM].

The PRESIDENT pro tempore of the Senate. On behalf of the Senate, the President pro tempore appoints the following Senate Members of the same committee: the Senator from Ohio [Mr. TAFT], the Senator from Nebraska [Mr. WHERRY], the Senator from Kentucky [Mr. BARKLEY], and the Senator from Texas [Mr. CONNALLY].

At 12 o'clock and 27 minutes p. m., the Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 28 minutes p. m., the Doorkeeper announced the Cabinet of the President of the United Mexican States.

The members of the Cabinet of the President of the United Mexican States, followed by the President's aides, entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 31 minutes p. m., the Doorkeeper announced the President of the United Mexican States.

The President of the United Mexican States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. On behalf of my colleagues of the Eightieth Congress, I am happy to extend to our distinguished guest our cordial geetings and best wishes. We believe that he has honored us by coming to this historic forum to deliver an address to the American people, an act that will strengthen the bonds of friendship and good will which exist between the United Mexican States and the United States of America. Our two countries were united in fighting against the mighty totalitarian forces which threatened the destruction of all freedom in the world. We must remain united to work toward rescuing the world from the chaos, confusion, and misery which are the aftermath of war.

Members of the Congress, it is my great pleasure, and I deem it a high privilege and honor, to present to you His Excellency Miguel Aleman, President of the United Mexican States. [Applause, the Members rising.]

ADDRESS BY HIS EXCELLENCY MIGUEL ALEMAN, PRESIDENT OF THE UNITED MEXICAN STATES

President ALEMAN. Mr. Speaker, Mr. President, honorable Members of the Congress, as the President of a country that has unceasingly struggled for democracy, finding in democracy not only a solution for the problem of its own existence but the enduring basis for international peace, I am sincerely grateful for the honor of being received in this Congress where democracy holds sway.

The essential meaning of this ceremony lies in its friendly spontaneity. It proves the firm decision with which our nations have overcome the obstacles of the past. Over and above their differences in temperament, in folkways, and in language, two peoples that profoundly love their independence have found ways to a mutual understanding—ways of living side by side, of sharing life together, without violence or suspicion. [Applause.]

This attitude of reciprocal esteem is, also, an outcome of democracy. A country under a tyrant's rule is not to be trusted, nor can other countries live securely beside it. And when the state curtails individual freedom in order to impose its will or that of a political party, civilization is on the wane, because civilization is the onward march to the full liberation of man, making him fully conscious of his own rights, entitling him to demand the same respect for them that he renders the rights of others, and making him true to himself in his love of country and true to his country in his loyalty to international solidarity. [Applause.]

This is the type of manhood democracies are shaping. We Mexicans are molding it.

Our entire history has been a struggle against want, against intervention, and against despotism. Against colonial despotism we rebelled for independence in the days of Hidalgo and Morelos. Against the greed of Europe, the country arose unafraid in the days of Juarez. And against the prolonged system of personal rule that frustrated much of what the common people had expected from the wars of independence and reform, the men of 1910 started our revolution. [Applause.]

As the son of one of those men, I speak to you now. With the Mexican Revolution many of your people were in sympathy, but others proved reticent. I take great pride in saying this to you: Our revolution preceded by several years many of the social reforms in other lands, the very same reforms in the defense of which our two countries have just fought.

When in the midst of the storm the voice of a great American bespoke an era in which all men would be free from want and from fear, free to believe and free to think, we in Mexico sensed that these were ideals akin to our own, designed to serve best the security of our hemisphere.

War did not change in Mexico our political ideas, the trend of our public thinking, or the structure of our institutions. It did not alter our international policy. Unlike those who had to improvise an ideology to justify their cooperation with the democracies, we Mexicans went to war for the selfsame moral reasons which moved us to condemn all aggression, whether within or beyond our soil. We went to war because the dictators responsible for the conflict sought to destroy elsewhere the rights defended for our people by our forefathers against the oppressors at home and against alien imperialists. We fought because the pledges our Allies made, though spoken in another language, meant liberation, justice, and faith in mankind. For these lofty purposes, my people have always been ready to offer their lives.

I have dwelt on the straightforwardness of Mexico in the conduct of its international affairs, because such a conduct is the best foundation for the unity of our peoples in the period now beginning. So long as this unity rests on right, abides by the comity of nations, and is kindled by cooperation, and sustained by the resolve to reach a just goal—the goal of living with honor and progressing without impairment of our independence—nothing, nothing shall hinder the harmony between our peoples. [Applause.]

Nations, like individuals, work together successfully only when they undertake jointly something they would also wish to accomplish severally. Mexico and the United States have an example to set for the world—the example of two countries, however different in size and wealth, cooperating on a plane of juridical equality above suspicion, and whose relations are not based on power politics.

How could we hope for the democratic solidarity which we so much desire for all peoples, if we ourselves, Americans and Mexicans, were not capable of sharing peace in frankness and in loyalty? How could we expect that noncontiguous countries reach what we, neighbors by reason of history and geography, fail to accomplish in friendship and disinterest? [Applause.]

Fortunately in recent times both of us have learned a few things. We have learned that isolation is not a good formula for living; that it is not good tactics for security. We have learned that if the goal is not domination of one system by another—necessarily a transitory and unjust condition—much more is achieved in a single year of loyal cooperation than in many years of hatred and rancor. We have learned that democracy, if not backed by force, whets the appetite of dictators, and that the most powerful force to uphold democracy lies not in tanks and ordnance but in the conviction of the men who, when conflict finally breaks out, will drive the tanks and fire the cannon. And we have further learned, that in order to give the citizenry confidence in their own strength, we must not fail to impress on them that the power of their country

does not imperil civilization and is no hindrance to the development of man, regardless of race and creed. [Applause.]

This we learned during the war. It will rise against us, should we ignore it in the peace.

All of us accepted an equal responsibility in the struggle. Therefore, we could not now understand a peace for which we were not equally responsible. Having admitted everyone to the most grievous sacrifices in the name of freedom and of justice, it is only meet that all men be entitled to enjoy a victory in which justice and liberty prevail.

The mission of the United States in this joint effort to insure for the democracies a future of justice and freedom has been perfectly understood and appreciated in all its greatness by the Mexican people. [Applause.]

There are times when destiny grants special powers to nations as if to test their fitness. We have seen with our own eyes how the aggressors lost that power when they abused it to further their selfish ends. But we have also witnessed how free peoples grow in power and strength when they rise against the insolence of the war mongers and the lust of the greedy.

What enhances the formidable industrial, economic, and military might of this Nation is, above all, that it is not at the disposal of a personal ruler, as in the domain of Alexander, the Rome of the Caesars, the Empire of the Hapsburgs, or the France of Napoleon, but is controlled by a government as conceived by Abraham Lincoln—a government of the people, by the people, for the people. [Applause.]

Yours is a country that abides by the policy of the good neighbor. I believe that policy to be the truest expression of the will for peace in this hemisphere. And I believe, likewise, that all of us should now, more than ever, implement that policy with performance in the economic and cultural fields.

Amity between governments is short-lived, unless it be the outcome of a genuine desire of their people to cooperate. Were we to limit the efficacy of good neighborliness to the covenants to safeguard the theoretical equality of all states, the respect of territorial integrity, the principle of nonintervention, as well as the joint defense of the continent, we would still be defrauding some of the most cherished hopes of our peoples. The fact that nearly 300,000,000 people live side by side in our hemisphere involves not only juridical problems and not alone problems of military strategy. As much as in the political solutions—and perhaps much more than in the political solutions—those millions are concerned not only with assistance to ward off foreign aggression but also with common efforts to overcome the dangers of poverty and despair in the difficult years of the peace. [Applause.]

The true significance of good neighborliness is cooperation. It springs from the democratic tenets that bind us together. It surpasses the scope of diplomacy. It goes beyond the exchanges of military staffs. It brings our peoples closer to one another, holding fast to their inalienable rights, those very rights your Declaration of Independence sets forth as supreme goals—life, liberty, and the pursuit of happiness.

Let our own hearts be the bulwark to resist all attacks against our hemisphere. But let us indefatigably work to impress upon those hearts that they must throb more and more in unison with the sincerity of our friendship, to make that friendship a living reality.

We are all responsible for adding to the policy of the good neighbor an economy of the good neighbor and a culture of the good neighbor. Whatever Mexico and the United States achieve in this respect will profit our two countries. But it will also benefit all the Americas, for the boundary between the United States and Mexico still is a touchstone for hemispheric solidarity.

Boundaries are what the peoples that define them and defend them wish them to be. Sometimes they are barriers not to be surmounted, between nations that neither understand nor forgive each other. But boundaries like ours also provide close contacts between countries seeking progress in friendship, under the rule of justice.

We are part of a hemisphere where the concurrent action of all is indispensable. Mexico has honored its every duty without ever forgetting any of its rights. Without waiving any of its rights, Mexico will continue to fulfill every duty.

We place a like trust in your country.

And it is here where I can most properly stress the significance of that trust, for under this dome solemn pledges have been made for the unity of the Americas and the brotherhood of man. It was here where President Truman stated that "in this shrinking world, it is futile to seek safety behind geographical barriers" and that "real security will be found only in law and in justice." [Applause.] And it was here also where President Roosevelt announced that he "would dedicate this Nation to the policy of the good neighbor, the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors." [Applause.]

We live in a region of the earth that we call the New World. Destiny challenges us to make it new indeed by virtue of its generosity under democracy, the breadth of its concept of mankind and its undeviating respect for the standards of law.

In the pursuit of that noble purpose Mexico shall never stop. [Applause, the Members rising.]

At 12 o'clock and 55 minutes p. m., the President of the United Mexican States retired from the Hall of the House of Representatives.

The Members of the President's Cabinet retired from the Hall of the House of Representatives.

The Members of the Cabinet of the President of the United Mexican States retired from the Hall of the House of Representatives.

At 12 o'clock and 56 minutes p. m., the Speaker announced that the joint meeting was dissolved.

Thereupon the President pro tempore and the Members of the Senate returned to their Chamber.

AFTER RECESS

The recess having expired at 12 o'clock and 57 minutes p. m., the House was called to order by the Speaker.

RECESS

The SPEAKER. The Chair wishes to announce that the House will stand in recess, to reconvene at 1:30 o'clock p. m.

Accordingly (at 12 o'clock and 59 minutes p. m.) the House stood in recess until 1:30 o'clock p. m.

AFTER RECESS

The recess having expired at 1 o'clock and 30 minutes p. m., the House was called to order by the Speaker.

RECESS PROCEEDINGS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess may be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

EXTENSION OF REMARKS

Mr. McDOWELL asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. DEVITT asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include newspaper excerpts.

Mr. CROW asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Wall Street Journal.

Mr. DAGUE asked and was given permission to extend his remarks in the RECORD and include excerpts from a brochure by Mr. Wilbur M. Smith.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include an address by Rabbi Isserman.

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include a brief editorial on Hoover Dam appearing in the Washington News.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD in two instances and to include in each an article.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include the testimony of the Honorable William C. Bullitt, former Ambassador to Russia, given before the Committee on Un-American Activities on the evils of communism.

MARY T. NORTON

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY. Mr. Speaker, yesterday at the church of St. Catherine of Siena in Norwood, Mass., at a pontifical High Mass, MARY T. NORTON was presented the Siena medal for 1946 by the Archbishop of Boston. This is a mark of national recognition of her noble work for social betterment and her many charitable activities.

Throughout her lifetime, in Congress and out of Congress, Mrs. NORTON has been devoted to humanitarian works. It is fitting that the Siena medal should be awarded to such a distinguished lady, for St. Catherine of Siena devoted her life, in a most turbulent time, toward bringing about social order. She stood out in her efforts to achieve social stability when many people held little hope for the future of the world. Significantly, our eminent colleague, MARY T. NORTON, has been awarded the Siena medal for similar distinguished service.

PERMISSION TO ADDRESS THE HOUSE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, my colleague from Oklahoma [Mr. MONRONEY], in answering the remarks of the gentleman from Oregon [Mr. STOCKMAN] on Friday last, pointed to the achievements of many outstanding Americans of Indian blood. One of these was one of my own distinguished predecessors in this body, the late Honorable Charles D. Carter, a Chickasaw Indian, educated in Chickasaw Indian schools. Various Members have pointed to the outstanding war records of our original Americans. I only wish I had the time to cite the many instances of individual heroism that have come to my personal attention.

Mr. Speaker, if evidence of the error of the remarks of the gentleman from Oregon is required, no more convincing proof need be offered than a visit to Statuary Hall in this great Capitol Building in which this body sits. I refer to the statues of those two illustrious sons of Oklahoma and outstanding Americans, Sequoyah and Will Rogers. Sequoyah, the scholar, was a self-educated man. Will Rogers, friend of all humanity, received his elementary education in Cherokee Indian schools. Any comment on the achievements of these great Americans would but detract from the glory of their names. Their place is established in the hearts of all men. Their lives are the answer to every critic of their race.

FOREIGN RELIEF

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, I hope every man in this House will take the time to read my extension of remarks in today's RECORD on the squandering of American relief and the American taxpayers' money. These are my personal observations.

DEFICIENCY APPROPRIATION BILL, JUNE 30, 1947

Mr. BROWN of Ohio, from the Committee on Rules, reported the following privileged resolution (H. Res. 201, Rept. No. 330, which was referred to the House Calendar and ordered to be printed:

Resolved, That, notwithstanding the provisions of clause 2, rule XXI, it shall be in order to consider, without the intervention of any point of order, in connection with the consideration of the bill (H. R. 3245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, the language contained in the bill on page 24, lines 15 to 24, inclusive, and on page 25, lines 1 and 2.

ELECTION TO COMMITTEE

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 202) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ROBERT N. MCGARVEY, of the State of Pennsylvania, be, and he is hereby, elected a member of the Standing Committee of the House of Representatives on Public Works.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REORGANIZATION PLAN NO. 1 OF 1947—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 230)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith Reorganization Plan No. 1 of 1947. The provisions of this plan are designed to maintain organizational arrangements worked out under authority of title I of the First War Powers Act. The plan has a two-fold objective, to provide for more orderly transition from war to peacetime operation and to supplement my previous actions looking toward the termination of wartime legislation.

The First War Powers Act provides that Title I "shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President may designate." Upon the termination of this title all changes in the organization of activities and agencies effected under its authority expire and the functions revert to their previous locations, unless otherwise provided by law.

Altogether, nearly 135 Executive orders have been issued in whole or in part under Title I of the First War Powers Act. The internal organization of the War and Navy Departments has been drastically overhauled under this authority. Most of the emergency agencies, which played so vital a role in the successful prosecution of the war, were based in whole or in part upon this title. Without the ability, which these provisions afforded, to adjust the machinery of government to changing needs, it would not have been possible to develop the effective, hard-hitting organization which produced victory. The organization of war activities had to be worked out step by step as the war program unfolded and experience pointed the way. That was inevitable. The problems and the functions to be performed were largely new. Conditions changed continually and often radically. Speed of action was essential. But with the aid of Title I of the First War Powers Act, it was possible to gear the administrative machinery of the Government to handle the enormous load thrust upon it by the rapidly evolving war program.

Since VJ-day this same authority has been used extensively in demobilizing war agencies and reconverting the governmental structure to peacetime needs. This process has been largely completed. The bulk of temporary activities have ceased and most of the continuing functions transferred during the war have already been placed in their appropriate peacetime locations.

The organizational adjustments which should be continued are essentially of two types. First, changes in the organization of permanent functions, which have demonstrated their advantage during the war years. Second, transfers of continuing activities which were vested by statute in temporary war agencies but have since been moved by Executive order upon the termination of these agencies.

In most cases, the action necessary to maintain organizational gains made under title I of the First War Powers Act can best be taken by the simplified procedure afforded by the Reorganization Act of 1945, the first purpose of which was to facilitate the orderly transition from war to peace. All of the provisions of this plan represent definite improvements in administration. Several are essential steps in demobilizing the war effort. The arrangements they provide for have been reviewed by the Congress in connection with appropriation requests. Since the plan does not change existing organization, savings cannot be claimed for it. However, increased expense and disruption of operations would result if the present organization were terminated and the activities reverted to their former locations.

In addition to the matters dealt with in this reorganization plan and Reorganization Plan No. 2 of 1947, there are several other changes in organization made under title I of the First War Powers Act on which action should be taken before the termination of the title. The proposed legislation for a national defense establishment provides for continuing the internal organizational arrangements made in the Army and Navy pursuant to the First War Powers Act. I have on several occasions recommended the creation of a single agency for the administration of housing programs. Since sec-

tion 5 (e) of the Reorganization Act of 1945 may cast some doubt on my authority to assign responsibility for the liquidation of the Smaller War Plants Corporation by reorganization plan, I recommend that the Reconstruction Finance Corporation be authorized by legislation to continue to liquidate the affairs relating to functions transferred to it from the Smaller War Plants Corporation.

It is imperative that title I of the First War Powers Act remain effective until all of these matters have been dealt with. An earlier termination of the title would destroy important advances in organization and impair the ability of the executive branch to administer effectively some of the major programs of the Government.

I have found, after investigation, that each reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1945. Each of these reorganizations is explained below.

FUNCTIONS OF THE ALIEN PROPERTY CUSTODIAN

The reorganization plan provides for the permanent location of the functions vested by statute in the Alien Property Custodian and the Office of Alien Property Custodian. In 1934 the functions of the Alien Property Custodian were transferred to the Department of Justice, where they remained until 1942. Because of the great volume of activity resulting from World War II, a separate Office of Alien Property Custodian was created by Executive Order No. 9095 of March 11, 1942. This Office was terminated by Executive Order No. 9788 of October 14, 1946, and the functions of the Office and of the Alien Property Custodian were transferred to the Attorney General except for those relating to Philippine property. The latter were transferred simultaneously to the Philippine Alien Property Administration established by Executive Order No. 9789.

While the Trading With the Enemy Act, as amended at the beginning of the war, authorized the President to designate the agency or person in which alien property should vest and to change such designations, subsequent legislation has lodged certain functions in the Alien Property Custodian and the Office of Alien Property Custodian. Similarly, though the Philippine Property Act vested in the President the then existing alien property functions as to Philippine property, certain functions affecting such property have since been established which have been assigned by statute to the Alien Property Custodian.

In order to maintain the existing arrangements for the administration of alien property and to avoid the confusion which otherwise would occur on the termination of title I of the First War Powers Act, the reorganization plan transfers to the Attorney General all functions vested by law in the Alien Property Custodian and the Office of Alien Property Custodian except as to Philippine property. The functions relating to Philippine property are transferred to the President, to be performed by such officer or agency as he may designate, thus permitting the continued administration of these functions through the Philippine Alien Property Administration.

APPROVAL OF AGRICULTURAL MARKETING ORDERS

Section 8c of the Agricultural Marketing Agreements Act of 1937 provides that marketing orders of the Secretary of Agricu'ture must in certain cases be approved by the President before issuance. In order to relieve the President of an unnecessary burden, the responsibility for approval was delegated to the Economic Stabilization Director during the war and was formally transferred to him by Executive Order No. 9705 of March 15, 1946. Since the Secretary of Agriculture is the principal adviser of the President in matters relating to agriculture and since final authority has been assigned to the Secretary by law in many matters of equal or greater importance, the requirement of Presidential approval of individual marketing orders may well be discontinued. Accordingly, the plan abolishes the function of the President relative to the approval of such orders.

CONTRACT SETTLEMENT FUNCTIONS

The Office of Contract Settlement was established by law in 1944, and shortly thereafter was placed by statute in the Office of War Mobilization and Reconversion. The principal purposes of the Office of Contract Settlement have been to prescribe the policies, regulations, and procedures governing the settlement of war contracts, and to provide an appeal board to hear and decide appeals from the contracting agencies in the settlement of contracts. A remarkable record has been achieved for the rapid settlement of war contracts, but among those which remain are some of the largest and most complex. Considerable time may be required to complete these cases and dispose of the appeals.

Though the functions of the Office of Contract Settlement cannot yet be terminated, it is evident that they no longer warrant the maintenance of a separate office. For this reason, Executive Order No. 9809 of December 12, 1946, transferred the functions of the Director of Contract Settlement to the Secretary of the Treasury and those of the Office of Contract Settlement to the Department of the Treasury. As the central fiscal agency of the executive branch, the Treasury Department is clearly the logical organization to carry to conclusion the over-all activities of the contract-settlement program. The plan continues the present arrangement and abolishes the Office of Contract Settlement, thereby avoiding its reestablishment as a separate agency on the termination of title I of the First War Powers Act.

NATIONAL PROHIBITION ACT FUNCTIONS

The act of May 27, 1930 (46 Stat. 427) imposed upon the Attorney General certain duties respecting administration and enforcement of the National Prohibition Act. By Executive Order No. 6639 of March 10, 1934, all of the powers and duties of the Attorney General respecting that act, except the power and authority to determine and to compromise liability for taxes and penalties, were transferred to the Commissioner of Internal Revenue. The excepted functions, however, were transferred subsequently to the Commissioner of Internal Revenue by Executive Order No. 9302 of February 9, 1943, issued under the authority of title I of the First War Powers Act, 1941.

Since the functions of determining taxes and penalties under various statutes and of compromise of liability therefor prior to reference to the Attorney General for suit are well-established functions of the Commissioner of Internal Revenue, this minor function under the National Prohibition Act is more appropriately placed in the Bureau of Internal Revenue than in the Department of Justice.

AGRICULTURAL RESEARCH FUNCTIONS

By Executive Order No. 9069 of February 23, 1942, six research bureaus, the Office of Experiment Stations, and the Agricultural Research Center were consolidated into an Agricultural Research Administration to be administered by an officer designated by the Secretary of Agriculture. The constituent bureaus and agencies of the Administration have, in practice, retained their separate identity. This consolidation and certain transfers of functions between the constituent bureaus and agencies have all been recognized and provided for in the subsequent appropriation acts passed by the Congress.

By the plan the functions of the eight research bureaus and agencies which are presently consolidated into the Agricultural Research Administration are transferred to the Secretary of Agriculture to be performed by him or under his direction and control by such officers or agencies of the Department of Agriculture as he may designate.

The benefits which have been derived from centralized review, coordination and control of research projects and functions by the Agricultural Research Administrator have amply demonstrated the lasting value of this consolidation. By transferring the functions of the constituent bureaus and agencies to the Secretary of Agriculture, it will be possible to continue this consolidation and to make such further adjustments in the organization of agricultural research activities as future conditions may require. This assignment of functions to the Secretary is in accord with the sound and long-established practice of the Congress of vesting substantive functions in the Secretary of Agriculture rather than in subordinate officers or agencies of the Department.

CREDIT UNION FUNCTIONS

The plan makes permanent the transfer of the administration of Federal functions with respect to credit unions to the Federal Deposit Insurance Corporation. These functions, originally placed in the Farm Credit Administration, were transferred to the Federal Deposit Insurance Corporation by Executive Order No. 9148 of April 27, 1942. Most credit unions are predominantly urban institutions, and the credit union program bears very little relation to the functions of the Farm Credit Administration. The supervision of credit unions fits in logically with the general bank

supervisory functions of the Federal Deposit Insurance Corporation. The Federal Deposit Insurance Corporation since 1942 has successfully administered the credit union program, and the supervision of credit union examiners has been integrated into the field and departmental organization of the Corporation. In the interests of preserving an organizational arrangement which operates effectively and economically, the program should remain in its present location.

WAR ASSETS ADMINISTRATION

The present organization for the disposal of surplus property is the product of two and a half years of practical experience. Beginning with the Surplus Property Board in charge of general policy and a group of agencies designated by it to handle the disposal of particular types of property, the responsibility for most of the surplus disposal has gradually been drawn together in one agency—the War Assets Administration—headed by a single Administrator. Experience has demonstrated the desirability of centralized responsibility in administering this most difficult program.

The reorganization plan will continue the centralization of surplus disposal functions in a single agency headed by an Administrator. This is accomplished by transferring the functions, personnel, property, records, and funds of the War Assets Administration created by Executive order to the statutory Surplus Property Administration. In order to avoid confusion and to maintain the continuity of operations, the name of the Surplus Property Administration is changed to War Assets Administration.

Because the plan combines in one agency not only the policy functions now vested by statute in the Surplus Property Administrator, but also the immense disposal operations now concentrated in the temporary War Assets Administration, I have found it necessary to provide in the plan for an Associate War Assets Administrator, also appointed by the President with the approval of the Senate. It is essential that there be an officer who can assist the Administrator in the general management of the agency and who can take over the direction of its operations in case of the absence or disability of the Administrator or of a vacancy in his office.

HARRY S. TRUMAN.

THE WHITE HOUSE,
May 1, 1947.

MESSAGE FROM THE PRESIDENT—REORGANIZATION PLAN NO. 2 OF 1947—(H. DOC. NO. 231)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with the accompanying papers, referred to the Committee on Expenditures and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith Reorganization Plan No. 2 of 1947, prepared in accordance with the provisions of the Reorganization Act of 1945. The plan permanently transfers to the Department of Labor the United States Employment Service, which is now in the Department by temporary transfer under authority of title I of the First War Powers Act. In addition, the plan effects two other changes in organization to improve the administration of labor functions.

I am deeply interested in the continued development of the Department of Labor. The critical national importance of effective governmental action on labor problems requires proper assignment of responsibility for the administration of Federal labor programs. Such programs should be under the general leadership of the Secretary of Labor, and he should have an adequate organization for this purpose. The provisions of this plan are directed to this objective.

I have found, after investigation, that each reorganization contained in the plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1945.

UNITED STATES EMPLOYMENT SERVICE

The United States Employment Service was established by the Wagner-Peyser Act in the Department of Labor. Later, by Reorganization Plan No. 1, effective July 1, 1939, it was transferred to the Social Security Board in the Federal Security Agency and administered in conjunction with the unemployment compensation program. During the war the Employment Service was extensively reorganized. The critical nature of the labor supply problem greatly increased the importance of the service and compelled the Federal Government to take over the administration of the entire employment office system on a temporary basis.

Soon after the creation of the War Manpower Commission the United States Employment Service was transferred to the Commission, by Executive Order No. 9247 of September 17, 1942, and became the backbone of the Commission's organization and program. When the Commission was terminated shortly after VJ-day, most of its activities, including the United States Employment Service, were shifted by Executive Order No. 9617 to the Department of Labor, the central agency for the performance of Federal Labor functions under normal conditions. Both of these transfers were made under authority of title I of the First War Powers Act. More recently, the Employment Service was returned to its prewar status as a joint Federal-State operation.

The provision of a system of public employment offices is directly related to the major purpose of the Department of Labor. Through the activities of the employment office system the Government has a wide and continuous relationship with workers and employers concerning the basic question of employment. To a rapidly increasing degree, the employment office system has become the central exchange for workers and jobs and the primary national source of information on labor market conditions. In the calendar year 1946, it filled 7,140,000 jobs, and millions of workers used its counsel on employment opportunities and on the choice of occupations.

The Labor Department obviously should continue to play a leading role in the development of the labor market and to participate in the most basic of all labor activities—assisting workers to get jobs and employers to obtain labor. Policies and operations of the Employment Service must be determined in relation to over-all labor standards, labor statistics, labor training, and labor law—on all of which the Labor Department is the center of specialized knowledge in the Government. Accordingly, the reorganization plan transfers the United States Employment Service to the Department of Labor.

FUNCTIONS OF THE ADMINISTRATOR OF THE WAGE AND HOUR DIVISION

The plan transfers the functions of the Administrator of the Wage and Hour Division to the Secretary of Labor to be performed subject to his direction and control. The fair labor standards bill was drafted on the assumption that the Wage and Hour Division would be made an independent establishment. As finally passed, however, the act placed the Division in the Department of Labor but was entirely silent on the authority of the Secretary over it. As a result, the Secretary has lacked an adequate legal basis for supervising and directing the affairs of the Division, and it has had an ambiguous status in the Department. The transfer effected by the plan will eliminate uncertainty as to the Secretary's control over the administration of the Wage and Hour Division and will enable him to tie it into the Department more effectively. This in turn will facilitate working out a sound combination of wage-and-hour, child-labor, and related enforcement activities of the Department, and will permit the Secretary to simplify and strengthen the organization of the Department.

COORDINATION OF ADMINISTRATION OF LABOR LAWS ON FEDERAL PUBLIC WORKS CONTRACTS

The Congress has enacted several laws regulating wages and hours of workers employed on Federal public-works contracts. The oldest of these are the 8-hour laws fixing a maximum 8-hour day for laborers and mechanics on such projects. More recently the Davis-Bacon Act established the prevailing wage rates for the corresponding classes of workers in the locality as the minimum rates for employees on certain Federal public-works contracts and required the Secretary of Labor to determine the prevailing rates. Another measure, the Copeland Act, prohibited the exaction of rebates or kick-backs from workers on public works financed by the Federal Government and authorized the Secretary of Labor to prescribe regulations for contractors on such works.

The actual enforcement of these acts rests almost entirely with the Federal agencies entering into the contracts. This is proper, since the engineers and inspectors of the contracting agencies are in close touch with the operation of the projects, and, in the case of cost-plus contracts, the pay rolls and accounts of the contractors are examined by the auditors of these agencies.

The enforcement practices of the various contracting agencies, however, differ widely in character and effectiveness. Some agencies have instructed their inspectors thoroughly as to the acts and

their enforcement and have adopted procedures for carefully checking the records of the contractors and the operation of the projects to determine compliance with Federal labor laws. On the other hand, some agencies have failed to institute effective enforcement procedures. As a result, enforcement has been very uneven and workers have not had the protection to which they were entitled. With the return to a normal peacetime labor market the danger of violations will be much greater than in recent years.

To correct this situation, the plan authorizes the Secretary of Labor to coordinate the administration of the acts for the regulation of wages and hours on Federal public works by establishing such standards, regulations, and procedures to govern the enforcement efforts of the contracting agencies, and by making such investigations as may be necessary to assure consistent enforcement. The plan does not transfer enforcement operations from the contracting agencies to the Department of Labor, as the former can perform the work more economically than the Department because of their close contact with the projects. Rather, it assures more uniform and effective action by the contracting agencies.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 1, 1947.*

PORTAL-TO-PORTAL ACT OF 1947—CONFERENCE REPORT

Mr. MICHENER. Mr. Speaker, I call up the conference report on the bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulations arising under certain laws of the United States, and for other purposes, otherwise known in the House as the Gwynne bill, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk commenced the reading of the statement.

Mr. MICHENER (interrupting the reading). Mr. Speaker, I ask unanimous consent, in view of the fact that the statement is lengthy and very technical and that more can be gained from an explanation than from a reading of the statement, that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"PART I

"Findings and policy

"SECTION 1. (a) The Congress hereby finds that the Fair Labor Standards Act of 1938, as amended, has been interpreted judicially in disregard of long-established customs, practices, and contracts between employers and employees, thereby creating wholly unexpected liabilities, immense in amount and retroactive in operation, upon employers with the results that, if said Act as so interpreted or claims arising under such interpretations were permitted to stand, (1) the payment of such liabilities would bring about financial ruin of many employers and seriously impair the capital resources of many others, thereby resulting in the reduction of industrial operations, halting of expansion and development, curtailing employment, and the earning power of employees; (2) the credit of many employers would be seriously impaired; (3) there would be created both an extended and continuous uncertainty on the part of industry, both employer and employee, as to the financial condition of productive establishments and a gross inequality of competitive conditions between employers and between industries; (4) employees would receive windfall payments, including liquidated damages, of sums for activities performed by them without any expectation of reward beyond that included in their agreed rates of pay; (5) there would occur the promotion of increasing demands for payment to employees for engaging in activities no compensation for which had been contemplated by either the employer or employee at the time they were engaged in; (6) voluntary collective bargaining would be interfered with and industrial disputes between employees and employers and between employees and employees would be created; (7) the courts of the country would be burdened with excessive and needless litigation and champertous practices would be encouraged; (8) the Public Treasury would be deprived of large sums of revenues and public finances would be seriously deranged by claims against the Public Treasury for refunds of taxes already paid; (9) the cost to the Government of goods and services heretofore and hereafter purchased by its various departments and agencies would be unreasonably increased and the Public Treasury would be seriously affected by consequent increased cost of war contracts; and (10) serious and adverse effects upon the revenues of Federal, State, and local governments would occur.

"The Congress further finds that all of the foregoing constitutes a substantial burden on commerce and a substantial obstruction to the free flow of goods in commerce.

"The Congress, therefore, further finds and declares that it is in the national public interest and for the general welfare, essential to national defense, and necessary to aid, protect, and foster commerce, that this Act be enacted.

"The Congress further finds that the varying and extended periods of time for which, under the laws of the several States, potential retroactive liability may be imposed upon employers, have given and will give rise to great difficulties in the sound and orderly conduct of business and industry.

"The Congress further finds and declares that all of the results which have arisen or may arise under the Fair Labor Standards Act of 1938, as amended, as aforesaid, may (except as to liability for liquidated damages) arise with respect to the Walsh-Healey and Bacon-Davis Acts and that it is, therefore, in the national public interest and for the general welfare, essential to national defense, and necessary to aid, protect, and foster commerce, that this Act shall apply to the Walsh-Healey Act and the Bacon-Davis Act.

"(b) It is hereby declared to be the policy of the Congress in order to meet the existing emergency and to correct existing evils (1) to relieve and protect interstate commerce from practices which burden and obstruct it; (2) to protect the right of collective bargaining; and (3) to define and limit the jurisdiction of the courts.

"PART II

"Existing claims

"SEC. 2. RELIEF FROM CERTAIN EXISTING CLAIMS UNDER THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED, THE WALSH-HEALEY ACT, AND THE BACON-DAVIS ACT.—

"(a) No employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act (in any action or proceeding commenced prior to or on or after the date of the enactment of this Act), on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or an account of any activity of an employee engaged in prior to the date of the enactment of this Act, except an activity which was compensable by either—

"(1) an express provision of a written or nonwritten contract in effect, at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer; or

"(2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee was employed, covering such activity, and inconsistent with a written or nonwritten contract, in effect at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer.

"(b) For the purposes of subsection (a), an activity shall be considered as compensable under such contract provision or such custom or practice only when it was engaged in during the portion of the day with respect to which it was so made compensable.

"(c) In the application of the minimum wage and overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended, of the Walsh-Healey Act, or of the Bacon-Davis Act, in determining the time for which an employer employed an employee there shall be counted all that time, but only that time, during which the employee engaged in activities which were compensable within the meaning of subsections (a) and (b) of this section.

"(d) No court of the United States, of any State, Territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any action or proceeding, whether instituted prior to or on or after the date of the enactment of this Act, to enforce liability or impose punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, under the Walsh-Healey Act, or under the Bacon-Davis Act, to the extent that such action or proceeding seeks to enforce any liability or impose any punishment with respect to an activity which was not compensable under subsections (a) and (b) of this section.

"(e) No cause of action based on unpaid minimum wages, unpaid overtime compensation, or liquidated damages, under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, which accrued prior to the date of the enactment of this Act, or any interest in such cause of action, shall hereafter be assignable, in whole or in part, to the extent that such cause of action is based on an activity which was not compensable within the meaning of subsections (a) and (b).

"SEC. 3. COMPROMISE OF CERTAIN EXISTING CLAIMS UNDER THE FAIR LABOR STANDARDS ACT

OF 1938, AS AMENDED, THE WALSH-HEALEY ACT, AND THE BACON-DAVIS ACT.—

"(a) Any cause of action under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, which accrued prior to the date of the enactment of this Act or any action (whether instituted prior to or on or after the date of the enactment of this Act) to enforce such a cause of action, may hereafter be compromised in whole or in part, if there exists a bona fide dispute as to the amount payable by the employer to his employee; except that no such action or cause of action may be so compromised to the extent that such compromise is based on an hourly wage rate less than the minimum required under such Act, or on a payment for overtime at a rate less than one and one-half times such minimum hourly wage rate.

"(b) Any employee may hereafter waive his right under the Fair Labor Standards Act of 1938, as amended, to liquidated damages, in whole or in part, with respect to activities engaged in prior to the date of the enactment of this Act.

"(c) Any such compromise or waiver, in the absence of fraud or duress, shall, according to the terms thereof, be a complete satisfaction of such cause of action and a complete bar to any action based on such cause of action.

"(d) The provisions of this section shall also be applicable to any compromise or waiver heretofore so made or given.

"(e) As used in this section, the term 'compromise' includes 'adjustment', 'settlement', and 'release'.

"PART III

"Future claims

"SEC. 4. RELIEF FROM CERTAIN FUTURE CLAIMS UNDER THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED, THE WALSH-HEALEY ACT, AND THE BACON-DAVIS ACT.—

"(a) Except as provided in subsection (b), no employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of any of the following activities of such employee engaged in on or after the date of the enactment of this Act—

"(1) walking, riding, or traveling to and from the actual place of performance of the principal activity or activities which such employee is employed to perform, and

"(2) activities which are preliminary to or postliminary to said principal activity or activities,

which occur either prior to the time on any particular workday at which such employee commences, or subsequent to the time on any particular workday at which he ceases, such principal activity or activities.

"(b) Notwithstanding the provisions of subsection (a) which relieve an employer from liability and punishment with respect to an activity, the employer shall not be so relieved if such activity is compensable by either—

"(1) an express provision of a written or nonwritten contract in effect, at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer; or

"(2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee is employed, covering such activity, not inconsistent with a written or nonwritten contract, in effect at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer.

"(c) For the purposes of subsection (b), an activity shall be considered as compensable under such contract provision or such custom or practice only when it is engaged in during the portion of the day with respect to which it is so made compensable.

"(d) In the application of the minimum wage and overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended, of the Walsh-Healey Act, or of the Bacon-Davis Act, in determining the time for which an employer employs an employee with respect to walking, riding, traveling, or other preliminary or postliminary activities described in subsection (a) of this section, there shall be counted all that time, but only that time, during which the employee engages in any such activity which is compensable within the meaning of subsections (b) and (c) of this section.

"PART IV

"Miscellaneous

"SEC. 5. REPRESENTATIVE ACTIONS BANNED.—

"(a) The second sentence of section 16 (b) of the Fair Labor Standards Act of 1938, as amended, is amended to read as follows: 'Action to recover such liability may be maintained in any court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated. No employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought.'

"(b) The amendment made by subsection (a) of this section shall be applicable only with respect to actions commenced under the Fair Labor Standards Act of 1938, as amended, on or after the date of the enactment of this Act.

"SEC. 6. STATUTE OF LIMITATIONS.—Any action commenced on or after the date of the enactment of this Act to enforce any cause of action for unpaid minimum wages, unpaid overtime compensation, or liquidated damages, under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act—

"(a) if the cause of action accrues on or after the date of the enactment of this Act—may be commenced within two years after the cause of action accrued, and every such action shall be forever barred unless commenced within two years after the cause of action accrued;

"(b) if the cause of action accrued prior to the date of the enactment of this Act—may be commenced within whichever of the following periods is the shorter: (1) two years after the cause of action accrued, or (2) the period prescribed by the applicable State statute of limitations; and, except as provided in paragraph (c), every such action shall be forever barred unless commenced within the shorter of such two periods;

"(c) if the cause of action accrued prior to the date of the enactment of this Act, the action shall not be barred by paragraph (b) if it is commenced within one hundred and twenty days after the date of the enactment of this Act unless at the time commenced it is barred by an applicable State statute of limitations.

"SEC. 7. DETERMINATION OF COMMENCEMENT OF FUTURE ACTIONS.—In determining when an action is commenced for the purposes of section 6, an action commenced on or after the date of the enactment of this Act under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, shall be considered to be commenced on the date when the complaint is filed; except that in the case of a collective or class action instituted under the Fair Labor Standards Act of 1938, as amended, or the Bacon-Davis Act, it shall be considered to be commenced in the case of any individual claimant—

"(a) on the date when the complaint is filed, if he is specifically named as a party plaintiff in the complaint and his written consent to become a party plaintiff is filed on such date in the court in which the action is brought; or

"(b) if such written consent was not so filed or if his name did not so appear—on the subsequent date on which such written consent is filed in the court in which the action was commenced.

"SEC. 8. PENDING COLLECTIVE AND REPRESENTATIVE ACTIONS.—The statute of limitations prescribed in section 6 (b) shall also be applicable (in the case of a collective or representative action commenced prior to the date of the enactment of this Act under the Fair Labor Standards Act of 1938, as amended) to an individual claimant who has not been specifically named as a party plaintiff to the action prior to the expiration of one hundred and twenty days after the date of the enactment of this Act. In the application of such statute of limitations such action shall be considered to have been commenced as to him when, and only when, his written consent to become a party plaintiff to the action is filed in the court in which the action was brought.

"SEC. 9. RELIANCE ON PAST ADMINISTRATIVE RULINGS, ETC.—In any action or proceeding commenced prior to or on or after the date of the enactment of this Act based on any act or omission prior to the date of the enactment of this Act, no employer shall be subject to any liability or punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, if he pleads and proves that the act or omission complained of was in good faith in conformity with and in reliance on any administrative regulation, order, ruling, approval, or interpretation, of any agency of the United States, or any administrative practice or enforcement policy of any such agency with respect to the class of employers to which he belonged. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice, or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.

"SEC. 10. RELIANCE IN FUTURE ON ADMINISTRATIVE RULINGS, ETC.—

"(a) In any action or proceeding based on any act or omission on or after the date of the enactment of this Act, no employer shall be subject to any liability or punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, if he pleads and proves that the act or omission complained of was in good faith in conformity with and in reliance on any written administrative regulation, order, ruling, approval, or interpretation, of the agency of the United States specified in subsection (b) of this section, or any administrative practice or enforcement policy of such agency with respect to the class of employers to which he belonged. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice, or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.

"(b) The agency referred to in subsection (a) shall be—

"(1) in the case of the Fair Labor Standards Act of 1938, as amended—the Administrator of the Wage and Hour Division of the Department of Labor;

"(2) in the case of the Walsh-Healey Act—the Secretary of Labor, or any Federal officer utilized by him in the administration of such Act; and

"(3) in the case of the Bacon-Davis Act—the Secretary of Labor.

"SEC. 11. LIQUIDATED DAMAGES.—In any action commenced prior to or on or after the date of the enactment of this Act to recover unpaid minimum wages, unpaid overtime compensation, or liquidated damages, under the Fair Labor Standards Act of 1938, as amended, if the employer shows to the satisfaction of the court that the act or omission giving rise to such action was in good faith and that he had reasonable grounds for believing that his act or omission was not a violation of the Fair Labor Standards Act of 1938, as amended, the court may, in its sound discretion, award no liquidated damages or award any amount thereof not to exceed the amount specified in section 16 (b) of such Act.

"SEC. 12. APPLICABILITY OF 'AREA OF PRODUCTION' REGULATIONS.—No employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of an activity engaged in by such employee prior to December 26, 1946, if such employer—

"(1) was not so subject by reason of the definition of an 'area of production', by a regulation of the Administrator of the Wage and Hour Division of the Department of Labor, which regulation was applicable at the time of performance of the activity even though at that time the regulation was invalid; or

"(2) would not have been so subject if the regulation signed on December 18, 1946 (Federal Register, vol. 11, p. 14648) had been in force on and after October 24, 1938.

"SEC. 13. DEFINITIONS.—

"(a) When the terms 'employer', 'employee', and 'wage' are used in this Act in relation to the Fair Labor Standards Act of 1938, as amended, they shall have the same meaning as when used in such Act of 1938.

"(b) When the term 'employer' is used in this Act in relation to the Walsh-Healey Act or Bacon-Davis Act it shall mean the contractor or subcontractor covered by such Act.

"(c) When the term 'employee' is used in this Act in relation to the Walsh-Healey Act or the Bacon-Davis Act it shall mean any individual employed by the contractor or subcontractor covered by such Act in the performance of his contract or subcontract.

"(d) The term 'Walsh-Healey Act' means the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes,' approved June 30, 1936 (49 Stat. 2036), as amended; and the term 'Bacon-Davis Act' means the Act entitled 'An Act to amend the Act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings', approved August 30, 1935 (49 Stat. 1011), as amended.

"(e) As used in section 6 the term 'State' means any State of the United States or the District of Columbia or any Territory or possession of the United States.

"SEC. 14. SEPARABILITY.—If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

"SEC. 15. SHORT TITLE.—This Act may be cited as the 'Portal-to-Portal Act of 1947'."

And the Senate agree to the same.

Amend the title so as to read: "An Act to relieve employers from certain liabilities and punishments under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, and the Bacon-Davis Act, and for other purposes".

EARL C. MICHENER,
JOHN W. GWYNNE,
ANGIER L. GOODWIN,
FRANCIS E. WALTER,
Managers on the Part of the House.

ALEXANDER WILEY,
FORREST C. DONNELL,
JOHN SHERMAN COOPER,
JAMES O. EASTLAND,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

FINDINGS AND POLICY

Section 1 of the House bill and section 1 of the Senate amendment contained findings and a declaration of policy by the Congress. Section 1 of the bill as agreed to in conference contains findings and a declaration of policy by the Congress in conformity with the substitute agreed on.

EXISTING PORTAL-TO-PORTAL CLAIMS

General rule

Under the bill as agreed to in conference (sec. 2 (a)), it is provided that no employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act (hereinafter in this statement referred to as "the three Acts"), on account of the failure of the employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of any activity of an employee engaged in prior to the date of the enactment of the bill, except an activity which was compensable by either (1) an express provision of a written or nonwritten contract in effect, at the time of such activity, between such employee, his agent, or a collective bargaining representative, and his employer; or (2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee was employed, covering such activity, not inconsistent with a written or nonwritten contract, in effect at the time of such activity between such employee, his agent, or collective bargaining representative, and his employer. The above rule is to apply in the case of any action or proceeding (including criminal actions and injunctions) whether heretofore or hereafter commenced. The effect of both the House bill (section 3) and the Senate amendment (section 2) was (as to existing claims) in essence the same as the provisions of the conference bill, except that the House bill did not contain the provision under which an activity, although compensable by custom or practice, is nevertheless not compensable if the custom or practice was inconsistent with the contract.

Clarifying provisions

The conference agreement (section 2 (b)) contains a provision not stated expressly in either bill, that an activity shall be considered as compensable under the above referred to contract provision or custom or practice only when it was engaged in during the portion of the day with respect to which it was so made compensable. Under this provision, for example, if under the contract provision or custom or practice an activity was compensable only when engaged in between 8 and 5 o'clock but was not compensable when engaged in before 8 or after 5 o'clock, it will not be considered as a compensable activity when engaged in before 8 or after 5 o'clock. So also, if under the contract provision or custom or practice an activity was compensable when engaged in before 8 but was not compensable when engaged in after 5 o'clock, it will not be compensable under the bill as agreed to in conference when engaged in after 5 o'clock. So also, if under the contract provision or custom or practice an activity was compensable during a certain portion of the regular workday but was not compensable when engaged in during other hours of the regular workday, it will not be compensable under the bill as agreed to in conference when engaged in during such other hours.

The bill as agreed to in conference also contains a provision (section 2 (c)) that in the application of the minimum wage and overtime compensation provisions of the three Acts, in determining the time for which an employer employed an employee there shall be counted all that time, but only that time, during which the employee engaged in activities which were compensable, within the meaning of subsections (a) and (b) of this section. This provision, which is in the nature of a clarifying statement, is for two purposes, (1) to emphasize that employers are not relieved from liability for the payment of minimum wages and overtime compensation under the three Acts for any time during which the employee engaged in activities compensable under the rules above stated, and (2) to make it clear that only such time will be counted for the purposes of applying the minimum wage and overtime compensation provisions of the three Acts, and that it therefore will not be possible by judicial or administrative interpretation to include other time which was not made compensable under the rules above stated. The second above-named purpose was the purpose of that portion of section 2 of the Senate amendment which stated that no judicial or administrative interpretation of the three Acts should have the effect of changing a contract so as to make compensable any activities which the previous portion of the section had declared to be not compensable.

The Senate amendment contained a provision (section 2 (b)) that every claim based on past activities not compensable under contract, custom, or practice would be null and void and unenforceable. This provision has been omitted under the conference agreement as surplusage.

The Senate amendment (section 3) provided that the provisions of section 2 of the Senate amendment which made past activities not compensable if not compensable under contract, custom, or practice, should not be deemed to remove penalty or liability under the afore-mentioned three Acts based on activities other than the ones so declared not to be compensable. This provision is omitted under the conference agreement as surplusage, and as fully covered by the provisions of section 2 (c) of the bill as agreed to in conference, described above under this heading.

COURT JURISDICTION

Under the conference agreement (section 2 (d)) it is provided that no court of the United States or of any State, Territory, or possession of the United States, or of the District of Columbia shall have jurisdiction of any action or proceeding (including criminal actions and injunctions), heretofore or hereafter instituted, to enforce liability or impose punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the three Acts, to the extent that such action or proceeding seeks to enforce any liability or impose any punishment with respect to a

past activity which was not compensable under contract, custom, or practice as provided in the preceding subsections. The denial of jurisdiction is of course not applicable to actions or proceedings in which judgment has become final prior to the date of the enactment of the bill.

ASSIGNMENT OF CLAIMS

Under the House bill (section 2 (f)) no cause of action or interest therein shall be assignable if it is for wages, overtime compensation, penalties, or damages under the three Acts. The Senate amendment contained no similar provision. Under the conference agreement (section 2 (e)) it is provided that no such cause of action which accrued prior to the date of the enactment of the bill, or any interest in such cause of action, shall hereafter be assignable in whole or in part to the extent that it is based on an activity which was not compensable under contract, custom, or practice within the provisions of the bill above described under the subheading "General Rule".

Under the new subsection it will be impossible for anyone (even though permitted to do so under State law) to buy up existing claims which were not compensable under contract, custom, or practice, with the hope of compromising such claims at a profit under the provisions of section 3 of the bill as agreed to in conference.

COMPROMISE OF EXISTING CLAIMS

Section 3 of the conference agreement provides that any cause of action under the three Acts which accrued prior to the date of enactment of the bill, or any action (whether heretofore or hereafter instituted) to enforce such a cause of action, may hereafter be compromised, in whole or in part, but only if there exists a bona fide dispute as to the amount payable by the employer to his employee. However, even in the case of a bona fide dispute, the compromise is not permitted to the extent that it is based on an hourly wage rate of less than the minimum required by the Act under which the cause of action arose, or on a payment for overtime at a rate less than one and one-half times such minimum hourly wage rate.

Subsection (b) of section 3 of the conference agreement permits an employee hereafter to waive his right under the Fair Labor Standards Act of 1938, as amended, to liquidated damages, in whole or in part, with respect to activities engaged in prior to the date of enactment of the bill.

Subsection (c) of section 3 of the conference agreement provides that any such compromise or waiver, in the absence of fraud or duress, shall, according to the terms thereof, be a complete satisfaction of such cause of action and a complete bar to any action based on such cause of action.

Subsection (d) of section 3 of the conference agreement states that the provisions of the section shall also be applicable to any compromise or waiver made or given before the date of enactment of the bill.

Subsection (e) of section 3 of the conference agreement defines "compromise" to include "adjustment", "settlement", and "release".

It will be noted that this section of the conference agreement lays down no rule as to compromises or waivers with respect to causes of action hereafter accruing. The validity or invalidity of such compromises or waivers is to be determined under law other than this section.

FUTURE PORTAL-TO-PORTAL CLAIMS

General rule

The House bill in section 3 applied to future causes of action under the three Acts the same rule as in the case of the past, namely, that an activity should not be compensable unless compensable under contract, custom, or practice.

The conference agreement in section 4, subsections (a) and (b), substantially follows the provisions of sections 6 and 7 of the Senate amendment. It is provided that, subject to the qualification stated below, no employer shall be subject to any liability or punishment under the three Acts on account of his failure to pay an employee minimum wages or overtime compensation for or on account of any of the following activities engaged in on or after the date of the enactment of the bill—

(1) walking, riding, or traveling to and from the actual place of performance of the principal activity or activities which such employee is employed to perform, and

(2) activities which are preliminary to or postliminary to said principal activity or activities,

which occur either prior to the time on any particular workday at which such employee commences, or subsequent to the time on any particular workday at which he ceases, such principal activity or activities.

The qualification above referred to is that the employer shall not be so relieved if the above-described activity is compensable by either (1) an express provision of a written or nonwritten contract in effect, at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer; or (2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee is employed, covering such activity, not inconsistent with a written or nonwritten contract, in effect at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer.

Clarifying provisions

The conference agreement (section 4 (c)) contains a provision not stated expressly in the Senate amendment, that an activity shall be considered as compensable under the above referred to contract provision or custom or practice only when it is engaged in during the portion of the day with respect to which it is so made compensable. The provision is applicable only to walking, riding, traveling, or other preliminary or postliminary activities above described. Under this provision, for example, if under the contract provision or custom or practice such a preliminary or postliminary activity is compensable only when engaged in during the portion of the day prior to the morning whistle but is not so compensable when engaged in after the evening whistle, it will not be considered as a compensable activity when engaged in after the evening whistle. So also, if under the contract provision or custom or practice an activity is compensable only when engaged in during the portion of the day from whistle to whistle and is not made compensable when engaged in before the morning whistle or after the evening whistle, it will not be considered as a compensable activity when engaged in before the morning whistle or after the evening whistle.

Section 4 (d) of the bill as agreed to in conference contains a similar provision to that contained in section 2 (c) of the bill as agreed to in conference previously described in this statement in connection with section 2 (c), except that it is limited in determining the time for which an employer employs an employee with respect to walking, riding, traveling, or other preliminary or postliminary activities described in section 4 (a). The reasons for and the effect of its insertion in the bill are fully described in this statement in connection with section 2 (c).

REPRESENTATIVE ACTIONS BANNED

Section 5 of the bill as agreed to in conference amends section 16 (b) of the Fair Labor Standards Act of 1938, as amended, by repealing the authority now contained therein permitting an employee or employees to designate an agent or representative to maintain an action for and in behalf of all employees similarly situated. Collective actions brought by an employee or employees (a real party in interest) for and in behalf of himself or themselves and other employees similarly situated may continue to be brought in accordance with the existing provisions of the Act. The amendment also adds a new sentence to such section 16 (b), not contained in existing law, providing that no employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The amendment made by this section is to be applicable only with respect to actions which are commenced on or after the date of enactment of the bill. Representative actions which are pending on such date are not affected by this section.

STATUTE OF LIMITATIONS

Under the House bill and the Senate amendment there was a statute of limitations on actions commenced on or after the date of the enactment of the bill to enforce any cause of action for unpaid minimum wages, unpaid overtime compensation, or liquidated damages under the three Acts. Under the House bill the period was one year and under the Senate amendment two years.

Section 6 of the bill as agreed to in conference provides for a two-year statute of limitations (regardless of the period of limitation provided by any State statute) with respect to any action commenced on or after the date of enactment of the bill to enforce any cause of action for unpaid minimum wages, unpaid overtime compensation, or liquidated damages, under the three Acts if the cause of action accrues on or after the date of enactment of the bill. If the action is not commenced within two years after the cause of action accrued, it is to be forever barred.

If the cause of action accrued prior to the date of the enactment of the bill, action thereon may be commenced within two years after the cause of action accrued or, in the case of a State having a shorter statute of limitations, the period prescribed by the applicable State statute of limitations; but if such action is commenced within one hundred and twenty days after the date of enactment of the bill, the applicable State statute of limitations (whether longer or shorter than two years) will apply to such action. In other words, in such latter case, if a State statute of limitations, applicable to such cause of action, has run, no action on such claim may be commenced within such 120-day period. If the applicable State statute of limitations has not run, action may be so commenced within such 120 days, and may go back as far as permitted by the applicable State statute of limitations whether more or less than two years. If, with respect to a cause of action which accrued under the Walsh-Healey Act or the Bacon-Davis Act no State statute of limitations is applicable, an action to enforce such a cause of action commenced within such 120-day period will not be limited by any statute of limitations.

DETERMINATION OF COMMENCEMENT OF FUTURE ACTIONS

Section 7 of the bill as agreed to in conference provides a rule for determining when an action is commenced for the purposes of the statute of limitations provided in section 6. It lays down the general rule that, for such purposes, an action commenced on or after the date of enactment of the bill under the three Acts shall be considered to be commenced on the date when the complaint is filed. This is the same rule laid down in the Federal Rules of Civil Procedure. An ex-

ception to the general rule is provided in the case of a collective or class action commenced on or after the date of enactment of the bill under the Fair Labor Standards Act of 1938, as amended, or the Bacon-Davis Act (no collective or class action can be instituted under the Walsh-Healey Act). In the case of such a collective or class action (a collective action being an action brought by an employee or employees for and in behalf of himself or themselves and other employees similarly situated, and a class action being an action described in Rule 23 of the Federal Rules of Civil Procedure) the action shall be considered to be commenced in the case of an individual claimant—

(a) On the date when the complaint is filed, if he is specifically named as a party plaintiff in the complaint and his written consent to become a party plaintiff is filed on such date in the court in which the action is brought, or

(b) If such written consent was not so filed or if his name did not so appear—on the subsequent date on which such written consent was filed in the court in which the action was commenced.

PENDING COLLECTIVE AND REPRESENTATIVE ACTIONS

Section 3 of the bill as agreed to in conference provides in the case of a collective or representative action commenced prior to the date of enactment of the bill under the Fair Labor Standards Act of 1938, as amended, the statute of limitations prescribed in section 6 (b) (two years or State statute, whichever is shorter) applies to an individual claimant who has not been specifically named as a party plaintiff to the action prior to the expiration of 120 days after the date of enactment of the bill. In the application of such statute of limitations the action shall be considered to have been commenced as to him when, and only when, his written consent to become a party plaintiff to the action is filed in the court in which the action was brought.

Under this provision, the statute of limitations in section 6 does not apply to an individual claimant who has been specifically named as a party plaintiff to the action prior to the date of the enactment of the bill. Nor does such statute of limitations apply to any individual claimant who has been so named within the period beginning on the date of enactment and ending on the 120th day after the date of enactment, if the applicable law provides that the date on which the action is deemed to have been commenced as to him is the date on which the collective or representative action was commenced. If he is so named as a party plaintiff within such 120-day period, and the applicable law provides that the action was deemed to have been commenced as to him when he was so named as a party plaintiff, then the period of limitations to be applied to him is the same as is provided in section 6 (c), namely, the one provided by the applicable State statute of limitations.

If such individual claimant is named as a party plaintiff in any such pending collective or representative action on or after the expiration of such 120-day period, the action shall be considered to have been commenced as to him when, and only when, his written consent to become a party plaintiff to the action is filed in the court in which the action was brought, and the statute of limitations applicable with respect to his cause of action is two years, or the applicable State statute of limitations if less than two years.

RELIANCE ON ADMINISTRATIVE RULINGS, ETC.

Section 9 of the bill as agreed to in conference provides that in the case of an action or proceeding (including injunctive and criminal proceedings) heretofore or hereafter commenced, based on any act or omission prior to the date of enactment of the bill, no employer is to be subject to any liability or punishment for or on account of the failure of an employer to pay minimum wages or overtime compensation under the three Acts, if he pleads and proves that the act or omission complained of was in good faith in conformity with and in reliance on any administrative regulation, order, ruling, approval, or interpretation, of any agency of the United States, or any administrative practice or enforcement policy of any such agency with respect to the class of employers to which he belongs. Such a defense, if established, will be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice, or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect. It will thus be seen that the administrative regulation, order, etc., does not have to be in writing nor does it have to be a regulation, order, etc., of the Federal agency which administers the act in question. It will be sufficient if the employer can prove that his act or omission was in good faith in conformity with and in reliance on an administrative regulation, order, etc., of any Federal agency.

Section 10 of the bill as agreed to in conference, relating to an action or proceeding based on any act or omission on or after the date of enactment of the bill, contains a rule which is the same as the rule relating to acts or omissions prior to the date of the enactment of the bill, with two exceptions: (1) The regulations, orders, rulings, approvals, or interpretations, which may be relied on must be in writing; and (2) the regulations, practices, enforcement policies, etc., must be those of the Administrator of the Wage and Hour Division of the Department of Labor—in the case of the Fair Labor Standards Act of 1938, as amended; of the Secretary of Labor, or any Federal officer utilized by him in the administration of the Walsh-Healey Act—in the case of the Walsh-Healey Act; and of the Secretary of Labor—in the case of the Bacon-Davis Act.

It should be noted that under both sections 9 and 10 an employer will be relieved from liability, in an action by an employee, because of reliance in good faith on an administrative practice or enforcement policy, only: (1) where such practice or policy was based on the ground that an act or omission was not a violation of the Act, or (2) where a practice or policy of not enforcing the Act with respect to acts or omissions led the employer to believe in good faith that such acts or omissions were not violations of the Act.

However, the employer will be relieved from criminal proceedings or injunctions brought by the United States, not only in the cases described in the preceding paragraph, but also where the practice or policy was such as to lead him in good faith to believe that he would not be proceeded against by the United States.

The effect of the rules stated in the two preceding paragraphs may be illustrated as follows: An employer will not be relieved from liability under the Fair Labor Standards Act of 1938 to his employees (in an action by them) for the period December 26, 1946, to March 1, 1947, if he is not exempt under the "Area of Production" regulations published in the Federal Register of December 25, 1946, notwithstanding the press release issued by the Administrator of the Wage and Hour Division of the Department of Labor, in which he stated that he would not enforce the Fair Labor Standards Act of 1938 on account of acts or omissions occurring prior to March 1, 1947. On the other hand he will, by reason of the enforcement policy set forth in such press release, have a good defense to a criminal proceeding or injunction brought by the United States based on an act or omission prior to March 1, 1947.

It should also be noted that under both sections 9 and 10 the regulations, interpretations, enforcement policies, etc., which may be in good faith relied on must be those of an "agency" and not of an individual officer or employee of the agency. Thus if inspector A tells the employer that the agency interpretation is that the employer is not subject to the Act, the employer is not relieved from liability, despite his reliance in good faith on such interpretation, unless it is in fact the interpretation of the agency.

LIQUIDATED DAMAGES

Section 2 (g) of the House bill authorized the courts, in their discretion, in awarding liquidated damages under the three Acts to award a lesser amount than the amount specified therein. There was no comparable provision in the Senate amendment. Section 11 of the bill as agreed to in conference permits the court, in its sound discretion, to award no liquidated damages or award any amount thereof not to exceed the amount specified in section 16 (b) of the Fair Labor Standards Act of 1938, as amended, in any action under such Act of 1938 commenced prior to or on or after the date of enactment of the bill to recover unpaid minimum wages, unpaid overtime compensation, or liquidated damages, if the employer shows to the satisfaction of the court that the act or omission giving rise to such action was in good faith and that he had reasonable grounds for believing that his act or omission was not a violation of such Act.

AREA OF PRODUCTION

Section 12 of the bill as agreed to in conference is inserted to relieve the situation created by the decision of the Supreme Court in *Addison, et al.* v. *The Holly Hill Fruit Products, Inc.* (322 U. S. 607, decided June 5, 1944), holding invalid certain regulations of the Administrator of the Wage and Hour Division relating to "area of production", and directing him to issue new regulations, which the Administrator did not do for a period of approximately two and one-half years after the date of such decision.

This section relieves an employer from liability and punishment under the Fair Labor Standards Act of 1938 on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of an activity engaged in by such employee prior to December 26, 1946, if such employer (1) was relieved from such liability or punishment by reason of a valid definition of "area of production" by the Administrator applicable at the time of the performance of the activity, or (2) would have been so relieved by reason of an invalid definition applicable at the time of the performance if such definition had been valid, or (3) would have been so relieved if the definition finally made by the Administrator on December 18, 1946, and published in the Federal Register of December 25, 1946, had been in force on and after the effective date of the sections of such Act of 1938 providing for minimum wages and overtime compensation.

It should be noted that under the above provision the protection to the employer under the foregoing provisions for acts or omissions up to December 26, 1946, will exist even though hereafter the regulation of December, 1946, is held invalid.

DEFINITIONS

Section 13 of the bill as agreed to in conference contains definitions of the terms "employer", "employee", "wage", and "State". It also contains an official short title of the Walsh-Healey Act and the Bacon-Davis Act.

SEPARABILITY

Section 14 of the bill as agreed to in conference contains the usual separability clause.

SHORT TITLE

Section 15 of the bill as agreed to in conference provides that the bill may be cited as the "Portal-to-Portal Act of 1947".

AMENDMENT TO TITLE OF BILL

The conference agreement amends the title of the bill so as to read: "An Act to relieve employers from certain liabilities and punishments under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, and the Bacon-Davis Act, and for other purposes."

EARL C. MICHENER,
JOHN W. GWYNNE,
ANGIER L. GOODWIN,
FRANCIS E. WALTER,
Managers on the Part of the House.

Mr. MICHENER. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. GWYNNE], the author of this bill.

Mr. GWYNNE of Iowa. Mr. Speaker, I am sure every person connected with this conference will agree that we had a full and a free conference. I shall explain very briefly what is in the conference report, comparing it as far as possible with the provisions of the original House bill.

The first part of the bill has to do with existing portal-to-portal claims which you will recall are defined as causes of action or claims seeking pay for activities which activities at the time they were performed were not compensable, either by custom or practice in the place of employment, or by contract between the employer and the employee or his representative.

The bill as it comes from the conference bans all existing claims of such character.

It provides that the courts have no jurisdiction to entertain suits or enter any judgment whatever in this type of case. That is substantially the same as the original House provision.

There is also another provision relating to existing portal-to-portal claims and causes of action which prohibits the assignment of those claims. That differs from the House bill in this respect: The House bill had a provision prohibiting the assignment of any claims of any kind or character under the three acts in question, which you will recall are the Fair Labor Standards Act, the Walsh-Healey Act, and the Bacon-Davis Act. There is also a provision in this bill which allows the settlement and compromise of all claims under these three acts in existence at the time the law becomes effective. They may be settled if there is a bona fide dispute between the employer and the employee as to the amount involved, subject to this provision, that no compromise may be based on less than the minimum provided under the Fair Labor Standards Act. That is the substance of the bill as it pertains to existing portal-to-portal claims.

The next part of the bill has to do with future portal-to-portal claims. Understand, I am talking about provisions having to do with causes of action arising in the future, which causes of action are based on activities not compensable at the time either by contract or custom. There the provision in this bill follows the Senate bill. The House bill made no distinction in treatment between existing and future portal-to-portal claims.

This bill divides them up and provides that, one, riding, walking, and traveling to the place of employment where the principal activity takes place and walking and traveling away from the place of the principal activity, or, two, preliminary activities to the principal activity and activities postliminary to the principal activities; as to those activities at the beginning and end of the day prior to the whistle, you might say, and subsequent to the whistle, the same treatment is given as was given to existing portal-to-portal claims. As to the main part of the working day, as to the principal activity for which any particular employee is employed, this law does not operate. I am not sure I made that too clear, but if you will examine the statement, you will find there a clear explanation of it. So much for the portal-to-portal part of the bill.

Mr. Speaker, both the House bill and Senate bill had certain provisions relating to all suits or claims or causes of action under these three acts in question. This bill has similar provisions. For example, there is a statute of limitations provided. The House bill, it will be recalled, provided a 1-year statute of limitations. In other words, every cause of action must be sued upon within 1 year after the cause of action accrued. Under this bill all causes of action arising in the future, and by that I mean after the effective date of the act, must be brought within 2 years after the cause of action accrues. As to causes of action accruing prior to the effective date of the act, action must be brought either within 2 years or within the applicable State statute, whichever is shorter. That provision became necessary when the statute of limitations was raised from 1 year to 2 years in order to protect certain States that now have a 1-year statute of limitations. Any cause of action that has accrued prior to the effective date of this act may be brought within 120 days after the act becomes effective, subject, however, to the provision that any cause of action barred by any State statute, whatever the length of it may be, is not revived. That action remains barred. Another very important feature of both the House and Senate bills is the so-called good-faith provision and that in modified form is contained in this conference report. There again the treatment is not the same for claims which are in existence, causes of action which had arisen prior to the effective date of the act and causes of action arising thereafter. As to causes of action which are in existence when the act goes into effect, we have adopted in substance the House bill which is this: In any suit under these acts—I am not talking now about the portal-to-portal suits—the employer may plead and prove that the act or the omission about which complaint is made was in reliance on a rule or regulation or enforcement policy or practice of any agency of the Government and if he does so plead and prove that to the satisfaction of the court it is a complete defense of the suit. That was, of course, the House provision. One difference between that and the provision relating to future suits is that the rulings and regulations and approvals that can be relied upon in the future must be in writing. Another difference is that the rulings and the regulations that can be relied upon must be rules and regulations out of certain specific agencies, to wit, the particular agency that is enforcing that particular law. In other words, as to the wage-and-hour law it must be a ruling or enforcement policy of the Wage and Hour Administrator. As to the Walsh-Healey Act, it must be a ruling or policy of the Secretary of Labor, or that official of the Government utilized by him to enforce it. In regard to the Bacon-Davis Act it must be a ruling, regulation, or policy of the Secretary of Labor. Now, we have in this bill a provision which was not in the House bill, which was made necessary because of the peculiar situation that arose under the area-of-production rulings.

I believe this provision will afford almost complete protection to the small processors who have in recent years been in a tremendous state of confusion about the rulings and about the decisions of the Supreme Court in that regard. You will recall that in the Fair Labor Standards Act is provided that first processors in the area of production as defined by the Administrator should be exempt; that is to say, there would be no exemption unless there was a ruling defining what the area of production was. Following the passage of that act the Administrator made a ruling and many processors began, of course, to comply with it. That got into litigation and the Administrator made a second ruling and some, of course, complied with that. Eventually the first regulation made by the Administrator went to the Supreme Court, and in 1944 the Supreme Court held that the regulation made by the Administrator was beyond his authority to make. It was, in substance, an invalid regulation. Of course, up to that point any person who had relied on the ruling would be protected under the good-faith clause in the bill about which I have already spoken. But the Supreme Court did a rather unusual thing in that case. They sent the bill back to the trial court with instructions to retain jurisdiction and directed the Administrator to make a new regulation defining what the exemption would be. That was in June 1944. The Administrator did not make any ruling, did not declare who was exempt until December of 1946, leaving a 2-year period in there when no one knew exactly what the situation was so far as the first processor in the area of production was. This provision provides, in substance that any person who was relying upon a ruling in existence at that time is protected regardless of whether or not that ruling was later on held invalid.

In 1946 the Administrator in making his ruling purported to make it retroactive, going back to the beginning of the act, and this bill also provides that any person who at any time came under that ruling, that retroactive ruling, the one which is now in effect, would also be protected.

Now, we had a provision in the original bill having to do with liquidated damages. Under the wage-and-hour law as it is presently being enforced, if the Court holds that an employer has not complied with the law, has not paid the minimum wages or the statutory overtime, it is mandatory on the Court to impose judgment for the amount of wages and overtime due, plus an additional amount for liquidated damages, and he has no discretion whatsoever even though the violation was not in bad faith. This bill provides that if the Court finds, in substance, that the violation was not in bad faith, that the employer had reasonable grounds to believe that his conduct was not in violation of the law, then in that case the Court has discretion to impose any amount of liquidated damages or none; any amount up to the maximum in the Fair Labor Standards Act.

There are other features of the bill but those are the main features.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Georgia.

Mr. PACE. It was not entirely clear to me on the portal-to-portal pay what was done with the future handling of those claims that immediately precede the moment of employment, not the walking and the riding, but the preliminaries to start work. What position did the committee of conference make of that type of claim?

Mr. GWYNNE of Iowa. That type of portal-to-portal claim is barred. In existing claims, the entire thing is barred, even though the so-called portal-to-portal claim may arise in the middle of the day, during the hours for which the man is employed. In future claims riding or walking or travel to the principal place of employment is barred, and barred with it are preliminary activities and postliminary activities.

Mr. PACE. Even though it involves the laying out of work the man is going to undertake in the next few minutes, the laying out of garments to work on, that claim would be barred?

Mr. GWYNNE of Iowa. It is barred unless there was an agreement or custom to pay for it.

Mr. PACE. Does the gentleman think that should be handled through collective bargaining?

Mr. GWYNNE of Iowa. No. The whole thought is that those claims are all barred, I mean as to existing claims as to activities for which the employer has not agreed to pay.

Mr. PACE. I understand that, but I mean in the future; it is barred in the future unless there is an agreement between the employer and the employee?

Mr. GWYNNE of Iowa. An agreement or custom.

Mr. MICHENER. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, I do not believe any conference report—at least, there have not been many presented to this House for consideration—has received the care that was given this legislation. For what seemed like endless hours, we attempted in plain language to set forth what the House felt should be done when it passed the portal-to-portal bill and compromised the ideas of the Senate with our version. We had assisting us Messrs. Beaman and Craft, of our legislative service, Mr. Rice, of the Senate legislative service, and other experts we called in from time to time in order to endeavor to write in plain English the full intent of Congress so that there could not be another misinterpretation of that intent. If this report does not state the very clear ideas of the two bodies, then I do not think it is possible to state them in the English language.

In the first place, we endeavored to look to the objections raised in both bodies to the original legislation, and where there was any valid reason for modifying the language we endeavored to do that, always having in mind the reasons for the three acts and being careful not to do violence to them. In the latter respect I am certain we have been successful. In the House the principal objection to the bill was as to the good-faith provision. It was charged that with the House provision in the law everybody who was proceeded against would be able to dig up some sort of a regulation or ruling suggested by anybody even in the lower echelons of the Labor Department and set that ruling up as a defense. Of course, during the war there were a great many rulings made by people who were not connected with the Wage and Hour Division, but certainly during those trying times when a contractor was endeavoring to follow out the instructions of his Government, if he received instructions from somebody in a position of authority, then if those instructions resulted in his violating the law that man should have a defense. So we decided to treat this question of good faith in two ways, one, as to existing claims, and two, as to future claims.

As to existing claims it was decided that where an employer in good faith acted on the ruling of any official, apparently acting within the scope of his authority that employer could set up the instructions thus received as a defense, and incidentally an affirmative defense, and if he could prove it then he was relieved from liability. That was the method in which the House treated both types of claims. However, the Senate had a different provision. In order to reconcile the views, we decided the thing to do with respect to all future claims was to provide the defense of good faith, provided the employer acted on a decision or ruling of the Wage and Hour Administrator, knowing full well that henceforth both employers and employees will be on notice that there is only one kind of ruling they can rely on without being liable for a violation of the law.

The second matter in controversy was that of the statute of limitations. I felt there should be a 3-year statute. The House approved a bill with a 1-year period in it. The Senate bill provided for 2 years. But this compromise, as worked out, provides a 2-year statute for all future claims. As to existing claims, the statute of the State or 2 years, whichever is the shorter, applied and that claims can only be filed within 120 days, and that 120-day period does not have the effect of extending the statute of limitations.

There are certain provisions of the report which I believe require further explanation and clarification. The first relates to section 2 (c). As indicated in our statement, the purpose of section 2 (c) is to prevent the construction of subsection (a) relieving employers from liability for minimum wages which they now have and to make it clear that time worked includes only that time spent in activities which are compensable under subsection (a). However, neither section 2 (c) nor section 2 (a) is intended to create additional overtime liability in cases where employers now make special payments or allowances for certain specified activities of their employees which are not included in time worked, according to the contract or custom or practice.

I have in mind payments or allowances at straight time, or in stipulated amounts, for clothes changing or washing up, or other so-called fringe awards, directed or approved by the National War Labor Board.

The second point relates to the provision of section 3 (a) permitting compromises if there is a bona fide dispute as to the amount payable. It should be understood that the intent here is to permit compromises where there is a bona fide dispute as to the amount payable based upon an issue of law, not only where the dispute is based upon issues of fact. In other words the intent is to permit a compromise where the dispute as to amount due arises out of issues of law, such as coverage or exemptions, as well as issues of fact, such as the wage rate or hours worked.

The third point relates to the key words in section 4 (a) namely, principal activity or activities. It is intended that these words shall be interpreted with due regard to generally established compensation practices in the particular industry and trade. The intent is that consideration must be given to such prevailing compensation practices in determining what constitutes, or when any particular employee begins or ends, his principal activity or activities. In other words, the realities of industrial life, not arbitrary standards, are intended to be applied in defining the term "principal activity or activities." In this way we will avoid having another portal-to-portal situation in the future.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HINSHAW. The gentleman remembers the cases known as the stand-by cases which were brought out before his committee in which certain employees might be called upon at some time not during their regular working time to perform some duty and that many suits for wages have been instituted under that type of claim. Is that provided for in the present bill?

Mr. WALTER. Yes; we feel that under the language of section 2 (b) of

this bill that type of arrangement is covered and that the employer is not liable.

Mr. HINSHAW. The case I had in mind was one where there were certain persons who were left to guard electrical distribution stations where they were given a house and so forth and perhaps performed one or two labors per day and yet were paid on a monthly basis. Large suits were brought for time and a half for an additional 8 hours per day pursuant to the ruling of the court.

Mr. WALTER. We hope that we have met that situation and all of the situations that have been brought to our attention, because we had in mind that all of these portal-to-portal suits are in the nature of windfalls. None of the plaintiffs—and I say that advisedly—ever felt they were entitled to compensation for activities which are the basis of these suits. I think I should add to what I said about the defense of good faith. The defense of good faith is intended to apply only where an employer innocently and to his detriment, followed the law as it was laid down to him by governmental agencies, without notice that such interpretations were claimed to be erroneous or invalid. It is not intended that this defense shall apply where an employer had knowledge of conflicting rules and chose to act in accordance with the one most favorable to him. I say that because there must have been literally thousands of instructions sent by the Army, the Navy, and the Maritime Commission and other governmental officials to employers having Government contracts during the war, that were never issued or confirmed in the usual way, but the employer felt that the person giving those instructions was in a position to speak with authority, and in those classes of cases we hope this measure will provide a defense.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. WALTER] has expired.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GOODWIN], one of the conferees.

Mr. GOODWIN. Mr. Speaker, I also want to pay tribute to the industry of my colleagues who served as your conferees. And I include our diligent and faithful legislative counsel. I marvel at the patience that busy men were able to show, as evidenced in this conference, to spend long hours over a period of several weeks, oftentimes beginning at an hour in the morning before Members customarily start work in their own offices, and with an occasional evening session. I question very much whether any board of conferees ever worked harder, longer, or more conscientiously in an endeavor to bring out a report which would be understandable and as simple as possible, covering a subject which is highly technical and highly involved.

Mr. Speaker, some constituents of mine in the laundry and linen-supply business have expressed concern relative to a particular passage of the statement of the managers on the part of the House—House Report No. 326. The passage I refer to is that set forth at page 16 of the conference report, which purports to explain the circumstances under which employers will be relieved from liability in employee suits where they have relied in good faith on the practices or enforcement policies of a Federal agency.

Mr. Speaker, the situation which the laundries and linen-supply companies in the country find themselves is a most unusual one—one which I feel is entitled to be recognized as being within the scope and intent of the reliance-in-good-faith provisions of this bill. The Wage and Hour Administrator, under date of November 25, 1943—Wage-Hour Release A-2—issued an administrative statement on wage-hour enforcement policy for laundries and linen-supply companies, in which he announced that unless the United States Supreme Court should later decide that the section 13 (a) (2) exemption of the act was inapplicable, he would continue the policy of not instituting enforcement proceedings under the Wages and Hours Act against laundries and linen-supply firms. Apparently the court decisions of the time held laundries and linen-supply companies to be exempt from the law as service establishments, and the administrative policy was prompted by these decisions which, of course, the laundry owners also relied on.

Furthermore, but a year before, the Wage and Hour Administrator in an exchange of correspondence with the gentleman from New Jersey [Mr. HARTLEY], which appears in the Appendix of the CONGRESSIONAL RECORD—page A963, CONGRESSIONAL RECORD, volume 89—had stated:

> I am very much inclined to the view that all laundries, regardless of whether they do so-called commercial work or not, were intended by the Congress to be exempt, as you definitely state, and regardless of the outcome of the litigation I am inclined at the present time to think that our interpretation should be revised in this regard.

There are other circumstances relating to the laundries' situation which I will not take the time of the House to go into at this time. Certainly, however, the matters to which I have referred would seem to me to provide an ample basis for considering, that sections 9 and 10 of this bill—H. R. 2157—provide a defense to laundry and linen-supply employers against employee suits. Their reliance on the various expressions of the Administrator respecting the nonapplicability of the act to them and his policy of not enforcing the act as to them should provide a legal defense against potentially ruinous liabilities in employees suits. It is my understanding—and I believe it is concurred in by the conferees—it is my understanding of the intent of these provisions that such a defense against employee suits would be provided laundries and linen supply companies.

Mr. MICHENER. Mr. Speaker, I have been in Congress a long time and I have never known a more prolonged, yet diligent, conference on any legislation where there was disagreement between the two Houses. For hours and days and weeks, the conferees have constantly sought to bring back to their respective bodies legislation which the conferees could conscientiously recommend. I was just asked by a new Member how conferees proceed and just what they do. Well, it is like this:

In the instant case the House passed the Gwynne bill, H. R. 2157, and sent it to the Senate. This was not done until there had been extensive hearings in committee and adequate debate and amendment on the floor of the House. When the bill reached the Senate, it was referred to the Senate Judiciary Committee where careful consideration was given. Thereupon the Senate committee struck out everything after the enacting clause in the House bill and added a new bill in the form of a substitute. The Senate passed this substitute bill.

When the conferees met they had the House bill without amendment and the Senate bill without amendment before them. Under conference rules it was the duty of the conferees to compose the differences between the two bills. After trial and error extending over many meetings, some of the language in the House bill and some of the language in the Senate bill, with new and clarifying language added, resulted in a new bill. The new bill does not suit any one of the conferees in every minute detail. For instance, I favored, and the House favored, a 1-year statute of limitations. The Senate favored 2 years and, in the give and take process necessary to accomplish legislation, this bill contains the 2-year provision. In other words, the House eventually conceded that point. On the other hand, the Senate conceded other points to the House. By this process the new bill, which is now before the House and which is embodied in toto in the conference report was agreed to. Under the rules of the conference the House acts first on this report. If the House accepts the report, then it accepts as a substitute for the Gwynne bill, which the House passed, the new bill as composed by the conferees, and as found in the conference report which is before us. That is all that is before the House today.

Mr. Speaker, the statement of the conferees which has been read to the House is a detailed explanation of the conference bill. It is lengthy, it is complicated, and, at first blush, seems hypertechnical. It has been a real job on the part of the best draftsmen from the legislative services in the House and in the Senate to express in understandable language the policy and the intent of the Congress which finds expression in this conference bill. On the whole, they have done a good job. Personally, I never believe in using 10 words where 2 words will answer the purpose. The House bill as it went to the Senate was much shorter and to me was preferable. However, the Senate bill was preferred by the Senate, and in yielding we were simply making the legislative process work. While I have a personal feeling that the same objective might have been accomplished by using many less words, yet this is possibly a case where in numbers there is safety. I hope so. The explanation of this compromise bill made in this debate by the gentleman from Iowa [Mr. GWYNNE], the gentleman from Massachusetts [Mr. GOODWIN], and the gentleman from Pennsylvania [Mr. WALTER], all members of the Judiciary Com-

mittee and the conference committee, will be most helpful in arriving at the intent of the Congress. In fact, their statements are brief when compared with the prepared statement of the conferees, and are most clarifying.

Mr. Speaker, I know of no one who desires to speak in opposition to this conference bill, and I predict that it will be accepted by the House by as large a proportionate vote as the Gwynne bill received when it passed the House. There has been some newspaper conjecture as to whether or not the President will sign the bill if it reaches the White House. Surely, the vast majority of the people of the country are not in sympathy with the $6,000,000,000 windfall suits started by claimants, most at least of whom never suspicioned that they had any claim coming for portal-to-portal pay until an unfortunate decision of a district court was rendered. This bill protects the legitimate claims under the three acts referred to in the bill. It is not harsh, confiscatory, or arbitrary. It is equitable and will do much to stabilize the chaotic conditions now prevailing because of these technical portal-to-portal suits. I cannot believe that under all the circumstances the President will veto this bill.

Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MACKINNON. Mr. Speaker, as a members of the Labor Committee I have been interested in the good-faith section of this portal-to-portal bill. In several cases which were discussed on the floor of the House it appears that there were conflicting rulings as to employers' obligations.

Is an employer in good faith when knowing of two conflicting rulings he claims to have relied on one of them? The answer must be that having notice of conflict, he cannot be said to have relied in good faith when he picks one of the rulings on which to rely and, particularly, it seems to me, under the language of the bill, when he relies on the ruling that is most favorable to his, the employer's interest.

Can an employer avail himself of the good-faith defense when knowing of two conflicting rulings, he has secured indemnification against the probability that the courts will hold invalid the ruling in accordance with which he is acting?

Under these circumstances, reliance in good faith does not exist, and the good-faith defense is not intended to be made available in such situation.

When there are conflicting rules and interpretations by different Government officials, that is exactly the type of case which must be settled in the courts, and Congress should not and does not intend under this bill to attempt to interfere with final court decision on such questions.

Mr. KEATING. Mr. Speaker, although not one of the conferees, I know a good deal about their arduous toil and conscientious endeavor. This House owes them a great debt of gratitude for the prodigious effort and the exceedingly high quality of their performance. It is naturally a sense of gratification to me that they have seen fit to adopt two of the provisions for which I contended when the bill was before us: first, a 2-year statute of limitations rather than 1 year, as to future suits, and, second, the tightening up of the "good faith" provisions so as to insure that this measure will not weaken the Wages and Hours Act.

Mr. DEVITT. Will the gentleman yield?

Mr. KEATING. I am happy to yield to my colleague from Minnesota.

Mr. DEVITT. On this question of good faith, does the gentleman remember the situation regarding which evidence was given before the subcommittee of which he was a member, with reference to the employer in my district who had acted pursuant to two different administrative rulings and the action which is pending by a large number of employees to recover sums which they claim are due under the provisions of the Wages and Hours Act?

Mr. KEATING. Yes; I remember the case to which the gentleman refers, and my view would be this, with reference to that.

When this bill was up for its original consideration, I made some remarks as to the good-faith defense. As a member of the subcommittee which drafted the original bill, I do not believe that such defense is intended to apply where an employer had notice of conflicting rulings, but only where he innocently in good faith followed and relied upon a ruling believing it to be valid.

These cases were discussed when the bill was up for consideration on the floor in February where an employer working for the Government on cost-plus war contracts secured indemnification from the Government against the possibility that a ruling would be declared invalid by the courts. In such cases, under the language of the bill, I am sure there could be no good-faith defense because the employer apparently did not rely in good faith upon the ruling but went to the contracting officials and secured a guaranty that he would not lose by following certain rulings.

Where an employer has notice of the invalidity of a ruling or where he has notice of conflicting rulings of different departments of the Government the good-faith defense cannot be invoked.

Mr. MICHENER. Mr. Speaker, I yield to the gentleman from South Dakota to submit a consent request.

Mr. CASE of South Dakota. I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an address by Walter Lippmann on the United States Chamber of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MICHENER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and there were—ayes 173, noes 27.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-six Members are present, a quorum.

So the conference report was agreed to, and a motion to reconsider was laid on the table.

HOUSING AND RENT CONTROL

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3203) relative to maximum rents on housing accommodations, to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3203, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. On yesterday all of title I had been disposed of and the first section of title II was read. Title II is now open for amendment.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 10, line 3, strike out all beginning with line 3 down to and including line 13.

Mr. SMITH of Ohio. Mr. Chairman, the objectionable feature of the language which I am seeking to strike out is the following:

At the same time the Congress recognizes that an emergency exists—

The gentleman from Michigan [Mr. WOLCOTT], chairman of the committee, has stated that the purpose of this language is to make political control of rents, for which title II of the pending bill provides, constitutional. I submit that this provision is in itself unconstitutional.

I hope the Congress has not reached a point in its thinking where it presumes to set itself above the Constitution of the United States. It seems to me that is what this provision does. It appears to be an outright attempt, perhaps made inadvertently, to override or set aside the Constitution by usurpation.

The matter dealt with in title II of the pending bill does not remotely involve a situation that can on true moral and legal grounds be construed a national emergency warranting the setting aside of the Constitution. I trust the House adopts my amendment.

Mr. WOLCOTT. The amendment offered by the gentleman from Ohio would do just the opposite of what he states. If the amendment is adopted without a

declaration of policy providing that an emergency exists, it is very, very doubtful whether any of the controls in title II could be enforced. I do not think there is any question or there should not be any question in anyone's mind that the reason for continuing any of these controls in title II is that an emergency does exist and will continue to exist until we have met the demand for rental units. We have got to be realistic about this situation, and this Congress cannot, by fiat, change a situation which actually exists.

Now, I do not think that anyone in this Committee would seriously contend that there are adequate dwelling units in the United States, and anyone who thinks, therefore, that knows that there are not enough dwelling units in the United States to house our people, I might say would be intellectually dishonest in voting to the contrary.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Assuming that there is a shortage of rental units, is it not a rather far-fetched position for the Congress to take that because there is a shortage in the country of one commodity that there is such an emergency existing that warrants us to go beyond what we could do under the Constitution?

Mr. WOLCOTT. No. We only deal with one situation.

Mr. RIZLEY. I understand that.

Mr. WOLCOTT. We only deal with the situation that there is a shortage of housing units, and for that reason we recognize the necessity of continuing some of these controls.

Mr. RIZLEY. But following the gentleman's philosophy, there is probably never a time in the history of the country that there is not a shortage in some one commodity; therefore, following that idea further, we will always have an emergency in the country, because there will always be a shortage in some one commodity. Is that not the philosophy that the gentleman is adopting now?

Mr. WOLCOTT. There is nothing to compel the Congress to act because there is an emergency, but if the Congress does act, and acts constitutionally, then you must find a reason for your actions, and the reason for your actions in respect to rent controls, or the controls contained in title II, is, to be realistic about it, that an emergency exists. So why not say so?

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. KEATING. In other words, is it not, to put it in another way, a fair statement to say that the only person who would vote for this amendment would be one who wanted to take all controls off on the 30th day of June?

Mr. WOLCOTT. That would be the effect of the amendment, for the reason that it is very doubtful whether the controls under this law could be enforced after June 30.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I think I understood the gentleman to say that the committee had under consideration a bill which would give the veterans a priority in the purchase of permanent Government property. I introduced a bill for that purpose last year. They have not been given a priority in the purchase of Government property thus far. Am I correct that the committee has it under consideration at the present time, or something of the kind?

Mr. WOLCOTT. There is a subject being considered by the Banking and Currency Committee at the present time which has to do with the disposition of what we call the Lanham permanents. I think when that study is completed, and if we report out legislation, it will be quite satisfactory to the gentlewoman, because I believe the committee will provide that the veterans will be given preference on the purchase of Lanham permanent projects.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the committee, in order to continue rent controls in peacetime had to find that an emergency existed, and the distinguished chairman of the committee very frankly admits that in order to circumvent established law and the Constitution it is necessary to declare an emergency. By the same token we can keep an emergency in the country always. That is the very thing the New Deal has been successful in doing for about 16 years. Rental houses this year, something else next year, on, on, and on the emergency continues and we keep a program of planned economy. I cannot go along with such a program. And what else does this bill do Mr. Chairman? They set up some other categories. For instance, they say to people who may have been keeping their properties out of rental, That is, if you did not have your property rented between February 1, 1945, and February 1, 1947, you are not under rent control. You can charge as much as the traffic will stand. Nowhere in this bill except by indirection is any attempt made doing equity toward the honest landlords, who have had their property rented and who depend on rents for their income.

Nearly every other industry in the country has had a raise in prices, but this committee says to those folks who have had their houses rented over all this period, "No, we are not going to permit you to raise the rent at all." But if I sat back, if I was smart and did not rent my property, I can come in now and get the current rental prices of today.

What kind of business is this we are doing here today? Do you think the American people expect this Congress to keep on with this sort of class legislation, and that is all it amounts to under this bill? If this is not class legislation, I have never seen a bill brought before this Congress that was class legislation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Michigan.

Mr. DONDERO. According to a poll made as late as February of this year, nearly 2,000,000 units in this country are away from rent control or have been withdrawn, and they will not come back under rental until rent control is lifted.

Mr. RIZLEY. Certainly.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Mississippi.

Mr. RANKIN. If the House does not pass this bill, this rent-control fiasco will end on the 30th of June of this year?

Mr. RIZLEY. On June 30. But they have a bill here that says that if we pass it, rent control will end on December 31, unless the President finds that there is another emergency at that time and it ought to be continued until March. What kind of legislating is that?

Mr. RANKIN. If we go ahead and perpetuate this measure on the American people, I do not want ever to hear another Member of Congress talk about the President creating a crisis or emergency, or finding one.

Mr. RIZLEY. Of course, we are passing the buck as Members of Congress to the President of the United States. We say we do not want to legislate beyond December 31, but it is all right for the President to legislate beyond that time. I did not run on that kind of a ticket last fall. I told my people I was against Executive directives and decrees having the force and effect of law. This is our responsibility. We ought to have the courage to accept it. We ought to either definitely control or decontrol. We ought to stand for something. Why should we follow this un-American philosophy of planned economy for another 6 months? Last year a Democratic Congress fixed the expiration date for rent control as June 1947.

I have the highest regard for the members of this committee and the chairman of the committee, but I just do not understand this sort of philosophy. The gentleman says, "Yes; but we have to face an emergency." If you follow that philosophy, you will have an emergency in this country from now on. It may not be in rents, but there may be an emergency tomorrow where we may have a shortage of wheat or cattle or sheep or something else, and then all that would have to be done would be to come in and put that item under control because we have an emergency in that particular thing. That is not my understanding of the philosophy that this Government is founded upon.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. RANKIN. If you act on the advice of these bureaucrats, they will perpetuate themselves just as they have in the case of the Indian Bureau that you are all complaining about.

Mr. RIZLEY. That is exactly right. Bureau control; I believe the American people were trying to get rid of that sort of thing when they voted on November 5.

Mr. BANTA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I happen to be a member of the committee which considered this bill. I resent to some extent the fact that those of us who would vote in favor of this amendment might be

charged by our distinguished colleague and chairman with intellectual dishonesty. I could not with intellectual honesty vote for the bill if it contains the declaration that is embodied in this section.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. WOLCOTT. Does the gentleman recognize that an emergency does exist in housing?

Mr. BANTA. Will the gentleman permit me to finish?

Mr. WOLCOTT. Does the gentleman recognize that an emergency does exist in housing?

Mr. BANTA. No, sir; I do not.

Mr. WOLCOTT. Then, the gentleman would not be intellectually dishonest if he voted for this amendment. But if the gentleman recognizes that an emergency does exist and then voted for it, then he would be intellectually dishonest.

Mr. BANTA. You may argue that point, but I reserve the right to determine whether I am intellectually honest or not.

Mr. WOLCOTT. But I claim that you are.

Mr. BANTA. I should like to finish.

This bill declares that there is a national emergency and that Congress recognizes it. I tried with all the diligence at my command in cross-examining the witnesses to require the bureau representatives who appeared before us and who stated that there was an emergency to tell us how many unoccupied houses there are in this Nation now, and not one of them would or could tell us. Our own chairman declared before the Committee on Rules only the other day that we were unable to find out how many thousands of housing units there are in this country today which are wholly unoccupied.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. OWENS. Did they tell you how many were occupied by one or two or three persons that could contain five or six persons?

Mr. BANTA. No; they would not tell us that. I have had some experience in analyzing testimony and determining when a case is made. There was no testimony before the committee on which anybody could base a fair conclusion that there is a national emergency.

There are less houses in this Nation than the people want, but that is a different thing. There has always been fewer houses than the people want. To want is wholesome; it stimulates ambition. But this Congress shoulud not declare a national emergency to exist simply because there are fewer houses than the people want.

There is not a word of testimony in this record on which to base the conclusion that there is now a national emergency, and for that reason I support this amendment. I say there is no evidence that anybody can point to in this record to justify a contrary conclusion

Mr. SCHWABE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BANTA. Yes; I yield.

Mr. SCHWABE of Missouri. How is one who is opposed to rent control going to vote for this bill? Is this bill one that will simply extend rent control?

Mr. BANTA. This bill will extend rent control. As far as the Congress is concerned it will extend it until December 31, 1947, and then throw it into the lap of the President and let him extend it, and this Congress next year will have the same cry from the same bureau representatives, that the same old emergency still exists, because all the people in the Nation do not have the kind of houses, and as many of them as they want at the price they want to pay for them. We will never get rid of controls if we continue this same kind of program that this bill will continue.

Mr. SCHWABE of Missouri. It is not clearly a decontrol bill, then?

Mr. BANTA. Not at all. Moreover, there is another declaration in this section which the amendment strikes at that is not a fair statement. There is nothing in the record to justify it. That is, that it is for the prevention of inflation. There are three basic things which the people of the Nation use and must have, namely, food, clothing, and shelter. If shelter may be had at a price which represents a less proportion of their income, than is normally used for shelter, and a disproportionate part of their income is freed to spend in the honky-tonks, in the places of recreation, and in the taprooms that some of the gentlemen on the other side have said the builders will construct if we decontrol materials, then you will contribute to inflation rather than prevent it.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BANTA] has expired.

Mr. COLE of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to speak another 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. COLE]?

There was no objection.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. KEATING. In order that the record may be clear, do I understand that the reason the gentleman favors this amendment is because he believes that all rent controls should be off on the 30th of June?

Mr. BANTA. I believe they should be off now. I think the American people thought so last November.

Mr. KEATING. But the gentleman will agree that those who differ with him should vote against this amendment? Is that not a fact?

Mr. BANTA. Those who differ with me as to whether or not we should have rent controls may do just as I shall do. They may vote the way they please. But those who think that they can justify a vote for rent control on the theory that there is any evidence of a national emergency in the housing of this Nation, are simply whistling in the graveyard. There is not any evidence of a national emergency.

Mr. KEATING. But the gentleman will agree that to vote for this amendment will very likely kill this entire measure?

Mr. BANTA. Very good. I hope it will.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Will the gentleman not agree with me that there was no evidence offered in the committee to indicate a stringency in the housing situation being solved? We did have evidence that a lot of rental units were going off the market but we did not have evidence that individual rental units were coming on the market to take up the stringency after that?

Mr. BANTA. We had no evidence. The gentleman from Nebraska is correct. But there was evidence that controls have prevented construction and kept houses off the rental market. You can take the record on all fours and interpret it in the way in which such a record should be interpreted and you will find that there is no evidence of anything resulting from rent-control experience to which this Nation is subjected, which should encourage this Congress to continue the program or any part of it.

Mr. BUFFETT. Rent control is operating to automatically accentuate the stringency in rental housing?

Mr. BANTA. It certainly is.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. REDDEN. It was suggested a while ago by the gentleman from Oklahoma that he would like to see the Republican Party take a position about this rent control and stand by it. I wish to ask the gentleman now if the majority of the Republican Members of Congress did not take a position in the last general election against rent control and against all other controls, and if that was not the principal plank upon which they were elected?

Mr. BANTA. The gentleman knows as well as I what all Members of Congress did, each spoke for himself; but aside from all party politics, Mr. Chairman, and aside from every other consideration, the people in Democratic families and the Democratic voters are as much affected by anything which represents an injustice to the American people as those who are members of the Republican Party.

Mr. REDDEN. Mr. Chairman, will the gentleman yield further?

Mr. BANTA. I yield.

Mr. REDDEN. Permit me to say that I took the position that the OPA, including rent controls and all other controls under it ought to be abolished, and I am not offended at the vote I got in the election by reason of it.

Mr. BANTA. That is a very fine contribution and I hope the gentleman votes just the way he talks.

Mr. HAYS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it seems to me that the chairman of our committee does not deserve the scolding that some of the Members are giving him. I share the feeling that I suppose most of you have that this bill is far from perfect and that there must be some apologies made for it. As the gentleman from Michigan [Mr. WOLCOTT] and others have said, it is the result of compromise; but there is one question we ought to keep in mind, and the gentleman from Ohio in this motion to strike out important language in the bill has raised it, and that is the existence of an emergency.

We cannot go home and tell our people honestly that no emergency exists. An emergency does exist. We ought to face it fairly and fearlessly and then legislate as best we can in the light of the existence of an emergency.

We might as well strike out the enacting clause as adopt the amendment now pending. We cannot afford to do that. We ought to recognize that the pouring of millions of dollars of appropriations into temporary housing for veterans is an effort to meet an emergency, and, as pointed out, we will have on the floor shortly a bill for an additional $40,000,000 to complete housing authorized under the Lanham Act. If no emergency exists, we cannot justify these actions.

I know you are aware of the plight of thousands of veterans. Their interests are identified with the interests of the whole population. We are not trying to designate for special recognition a group that is deserving, to do something for them just because they are deserving; we are simply trying to meet a situation in which the interests of the veterans are identified with the whole population. Whether an emergency exists in your particular district or not, surely you will agree that in many congested areas of America an emergency does exist, and it is because unless controlled it will affect the whole of the Nation that we are obliged to adopt something today to hold down the terrific costs of owning or renting a piece of property.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. MONRONEY. Is it not a fact that wherever no emergency exists locally this bill is broad enough to provide for local decontrols?

Mr. HAYS. It is.

Mr. MONRONEY. So we only need these emergency powers where an emergency exists.

Mr. HAYS. The gentleman is correct.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BOGGS of Louisiana. The gentleman knows from the record and the testimony before the committee that last summer when controls were removed for a short period of time that there were thousands upon thousands upon thousands of eviction notices for that brief period of 10 or 15 days.

Mr. HAYS. And we will be deluged with the same thing if we make the fatal mistake of leaving the country with no controls whatever.

Mr. Chairman there are not 48 States in the Union in the old sense, there are only 46 States, and the population of 2 States "on the road." This population is in certain congested areas of America as the result of the war effort and various other influences of recent years. We must be fair to all sections and all groups.

Mr. Chairman, I have time to read only one sentence from a statement of one of the fairest and best informed witnesses who appeared before our committee, Mr. William E. Russell, representing mortgageholders and property owners in New York City. He made the following statement:

> We do not know the conditions in other parts of the country, but in a great metropolis like New York I may say to you, gentlemen of the committee, that we fear for the consequences to the industry, as well as to the tenants, if we were to eliminate controls until there have been enough homes built to permit the tenant to operate in a free market, where he has a choice. And he has no choice today.

This is the man who pled with us to provide some relief for landlords but at the same time said that we must above everything else recognize the continuation of this emergency.

Mr. BOGGS of Louisiana. Were there any witnesses at all representing the real-estate interests themselves who testified to the effect that all controls should be removed on rentals?

Mr. HAYS. I am glad to have that pointed out. I do not remember any witnesses who appeared before our committee representing the real-estate interests—if I am wrong I want to be corrected—urging the lifting of all controls. As one who has been as critical of some of the practices of OPA with reference to rent control as any member of the majority, as one who has smarted under it and been bitterly resentful in wanting to correct them, I insist that we cannot afford to go home and say there is no emergency in the housing situation in the United States.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, how much time have I?

The CHAIRMAN. Three minutes.

Mr. HOFFMAN. Mr. Chairman, another one of those emergencies. Every time we get a bill on the floor of the House and some of us start to show what is in it, there is an emergency. We must finish debate—we must pass it tonight. I came down here in 1935 and went on a committee and began to read bills. I began to vote "no." Members would ask me, "How can you make up your mind so quickly?" That was easy. Every bill had in it a statement at the very beginning: "Whenever the President deems an emergency imminent," followed by a blank check for power and money. Well, somebody in the New Deal administration deemed an emergency to be imminent all the time. Someone always has an emergency. And the New Dealers used one emergency after another as a highway into more and more power.

The gentleman from Oklahoma [Mr. RIZLEY] asked what kind of business this is, meaning monkey business, I presume. I will tell you what it is. It is "me, too"; it is New Deal under Republican leadership—first in foreign policy, now on the home front. For 10 or 12 years we followed the New Deal theory, we followed along with the philosophy that you could take away from the people who have and give it to the people who have not and everything would be lovely. But along came November last, we had an election, and the home folks said they had had enough and I supposed that the people meant they did not want any more of that kind of government. Then the Republicans came down here, and lo and behold, both here and in the other body, they turn up with the same old doctrine, the same old policy; that is, if you can catch anybody who has worked and saved, who wants to create a business and employment and meet a pay roll, if you can get hold of that fellow take it away from him and give his savings and his profits, if he has any, to someone who has a vote.

Mr. Chairman, I am thinking about the fellow who is ready to give a job to somebody and create a pay roll, not somebody who wants to increase building costs and thereby deprive everybody of building and owning a home at a decent cost. Everything is up, but the landlord who saves his money, and the old lady who lives with him, who have a home and who want to rent it and get a little income, under this bill have at times to rent it for less than the total of the taxes, insurance, and repairs. I do not believe in that kind of a doctrine and, in my opinion, if the Republicans go on with this New Deal policy—the Presidential aspirants call it bipartisan statesmanship—until 1948 they will find themselves out in the cold, because the people have twice said, once to Mr. Willkie and once to Mr. Dewey, you might better let the experts do the job than a lot of amateurs—though I might add that some Republican politicians have had enough practice recently to take them out of the amateur class.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I want to use these minutes to expound an idea that I have had for some time; and I notice it has been discussed to some extent in the Senate. If it is found necessary to continue these rent controls, I wonder why the committee did not give serious thought and consideration to the matter of turning this over to the several States when the States indicate they are willing to handle the problem and to assume this responsibility? In the final analysis, Mr. Chairman, this is a matter dealing with real estate, and if there is anything fundamental in the operation of our Government, it has been the thought that the National Gov-

ernment should not fool with real estate, should not fool with landed titles and things of that sort. Now, handling rents is not like handling a matter of autos and trailers moving from one State to another. It is local. It is a local problem, local in origin and local in the handling. A good many States already have statutes which will cover such a situation in the event the Federal Government gives up rent control. Some of them, you might say, do not want to assume the responsibility, but I dare say that the State authorities, if they feel like a serious problem is presented to them, will assume their responsibility and handle such matter if it is put up to them in a proper light. I am keenly disappointed that there is nothing in this bill which would permit a State, where it desires or is willing to assume the responsibility, to do so. Many States have legislatures in session now or will have them meet soon, and if they are willing and able to pass the necessary enabling legislation, why not give them a chance if they sincerely believe that such an emergency exists, and controls should continue?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Mississippi.

Mr. RANKIN. The main difference between Stalin and Hitler was that Stalin took over all the property, and Hitler just took over the control of the property.

Mr. BROOKS. There is entirely too great a tendency, Mr. Chairman, to bring everything to Washington, and I am one who believes, that where a State has such a problem and can and is willing and able to handle such a problem, it should be given an opportunity to do so.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr WOLCOTT. Mr. Chairman, I think you will recognize that most of the Members who have spoken in favor of this amendment are in favor of taking all controls off rent on June 30 of this year. I think perhaps we should have this issue crystallized. I am glad that they have spoken as they did because, of course, we recognize this problem. We recognized the problem in the committee. I think we were realistic about it in the committee but I do not think there is any justification in any fair-minded person's mind for the contention that there is not a shortage of homes at the present time, and if there is then there is an obligation on the part of this Congress recognizing it, to do something about it.

Now, we have here what we consider a pretty well-balanced bill. If there is not a shortage of houses, then the committee was all wrong in its approach in the matter, but recognizing that there is a shortage of houses, houses for owner occupancy and tenant occupancy, we have done I think, a splendid job in balancing off this situation.

We do not create any new emergency, but we are realistic in finding that the emergency which was created because of the war continues with us and will continue with us until we get enough rental units to lick it. It is not any emergency that we create here under the language of this bill. The emergency was created because of a great endeavor to disseminate American principles throughout the world. If these debates here today mean anything to me and if they mean anything to you, they mean that this is the republican form of government in action, that we are going to prevent thousands and thousands of evictions in this country come June 30. Any of you Members who want to take the responsibility for the untold number of evictions which will result from not continuing some kind of control beyond June 30, are at liberty to kill them and take the responsibility. Speaking for myself, and I hope that I reflect the attitude of a majority of the Members and my party, I am trying to do everything I possibly can to get rid of these controls just as quickly as we possibly safely can with as little shock as possible to our economy, recognizing the necessity for stabilizing this economy of ours, because, and I think I have noted it on several previous occasions, the economies of over 40 countries, the currencies of over 40 countries are tied to the American dollar and the American economy. We have to stabilize them just as quickly as we can. The only way we can do it is through production. Now, in this transition period, we have to continue certain of these controls to prevent hardships and suffering. You have a choice here between continuing some suffering and possibly a lot of suffering. I will take my choice on the side of a little suffering on the part of a relatively few people, rather than to make all of the people of the United States, and yes, perhaps the world, suffer because of the economic and financial dislocations which will result from the chaos here in America if we do not do the job and do it sensibly.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 44, noes 117.

So the amendment was rejected.

Mr. WORLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WORLEY: On page 9, line 19, strike out all of title II, "Maximum Rents."

Mr. WORLEY. The purpose of this amendment, Mr. Chairman, is to allow rent control to expire on June 30, 1947. If this amendment is adopted it will permit the owner of a house to have it back in his full and free possession. He will be relieved of Government regulation and regimentation which has always been so obnoxious to our system of free enterprise, or, as some call it, the American way of life.

Hardly a day passes but what I receive letters from veterans who, despite all Government efforts to help them financially, say they simply cannot afford to pay the high price to buy a house but who want a place to rent. You can look in the classified section of almost any newspaper in a rent-controlled area and find house after house for sale but none for rent.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield.

Mr. DONDERO. I have a communication from a man in Detroit who has 75 houses. If rent control is off, he will rent the 75 houses, and he says he will not rent them as long as rent control remains.

Mr. WORLEY. The gentleman's statement is additional evidence that continued control of rents is keeping hundreds of thousands of units off of the market and is working a hardship on thousands who cannot buy under present inflated prices but who can and do want to rent.

During the war, as everyone knows, I supported strict price controls because I knew we had to do it in order to try to prevent inflation and to keep the cost of the war as low as possible. Since then, however, controls on practically everything else in our economy have been removed and it seems unfair for the Government to continue regimentation of a small group of people. It would not be fair for Congress to freeze wages at 1942 levels, as rents are now frozen, and turn everything else loose. It would not be fair to freeze the price of meat or farm products at 1942 levels and turn wages and farm machinery prices loose. And it does not seem fair or democratic to continue to control rents when the cost of labor, building materials, paint, taxes, and practically everything else has gone to unprecedented heights. You cannot control one phase of our economy without controlling all, unless you would do serious inequity and injustice.

Further it seems to me the policy of continued controls now advocated by the Republicans is entirely contrary to their position last fall when they promised the people of this country an immediate return to a government freed of restrictions, red tape, and continued regimentation.

I doubt that this amendment will be adopted, and if it is not then I hope we can later amend the bill to permit the States themselves to determine whether they desire to continue these controls.

Mr. BOGGS of Louisiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I will gladly yield to the gentleman.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

Mr. OWENS. Mr. Chairman, I object.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. COLE of Missouri. Mr. Chairman, reserving the right to object, how much time will that give us who want to speak for this amendment?

The CHAIRMAN. Fifteen minutes after the gentleman from Louisiana has concluded. Counting the gentleman now

standing, that will be divided between about 10 Members.

Is there objection to the request of the gentleman from Michigan?

Mr. COLE of Missouri. Mr. Chairman, I object.

Mr. BOGGS of Louisiana. Mr. Chairman, I am quite sure that the able chairman of the House Committee on Banking and Currency needs no defense on this floor. I have disagreed with him. I disagree with him on some of the provisions of this bill, but if there ever was a fair chairman, a man who permitted all sides to be heard, it is the chairman of this Committee on Banking and Currency the gentleman from Michigan [Mr. WOLCOTT] I do not agree with many provisions in this bill. I stated my position quite frankly on yesterday, but in the hearings before the committee, which continued for about a month, if I remember correctly, every segment of the economy of this country was heard and it was heard at great length. As the gentleman from Arkansas [Mr. HAYS] pointed out a few minutes ago, to my recollection and to his recollection, there was not a single responsible representative of the home owners, home builders, and real-estate agents who came before our committee and asked that rent controls be removed completely on June 30 of this year.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. Not at this moment.

Now, why was that? Because all of those men who are in the real-estate business, who handle property every day, who know more about the business than any of us can know, because they work with it and make their livelihood out of it, know that if we arbitrarily remove controls on June 30 of this year we would have a situation which would be akin to chaos in the home markets throughout our country. I have the very highest regard and respect for my good friend from Texas [Mr. WORLEY]. He talked about the largest city in his district having a population of 70,000. Possibly the condition that he outlined in a town of 70,000 may be quite different in a city of the size of Pittsburgh, New York, Chicago, Detroit, New Orleans, or Houston, or the other great industrial and commercial areas throughout this great Nation of ours. The gentleman from Texas [Mr. WORLEY] talked about the fact that as he turned to the want-ad section of the newspapers he found very few units for rent, but that he found a great abundance of houses for sale. What accounts for that? Everyone knows that the market on old homes throughout this country is inflated and practically everyone who owns his own home and who wants to sell it knows that it is a temporary condition, that the market is going down, and that if he wants to get a high price for his home he had better get it now because as the building program gets under way these houses that are worth ten, twelve, or fourteen thousand dollars but selling for twenty-five or thirty thousand are going to be selling again for their normal value of ten or twelve thousand. That is why we find so many homes for sale and so few for rent.

Last summer we had a time in this country of 10, or 15, or 25 days when we did not have rent controls, and in every metropolitan center in America I believe without exception the eviction notices flooded the courts, and tenants and landlords were in those courts in a number heretofore unknown in the history of those courts. I have talked to the judges of those courts and they have told me quite frankly that one of the greatest calamities that could occur at this moment would be the lifting of all rent controls.

I voted for and I intend to vote today for a 10-percent across-the-board increase. I think it is fair, but what is proposed by this amendment would be a calamity.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WOLCOTT. Mr. Chairman, I renew my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I object.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I object.

Mr. WOLCOTT. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. Ten Members have indicated a desire to be heard on this amendment. The Chair will recognize each Member for 2 minutes.

The gentleman from Missouri [Mr. COLE] is recognized for 2 minutes.

Mr. COLE of Missouri. Mr. Chairman, I rise in support of this amendment.

I am a firm believer in local self-government and that each locality is best able to solve its own problems. Rent control may be necessary in some of our congested areas. However, the State and local authorities are the ones to decide this and are the ones to take steps to meet it. They are closer to the problem. They know the situation and circumstances prevailing. They can, by appealing to their people, secure wholehearted cooperation in any fair plan adopted by them. Furthermore, those affected do not resent regulations imposed upon them by their own State and municipal authorities who understand their situation as much as they resent being told what to do and what not to do by some bureaucrat in Washington.

Have we not had enough bureaucratic control? We have only to look at the record of the OPA to be convinced that regimentation, regulation, and control creates scarcity. In my opinion, the housing problem will not be solved until we abolish rent control, because many owners of rental property and many people who have space in their homes that they would, under ordinary circumstances, be glad to share in order to relieve the housing shortage, refuse to rent because, by so doing, they must submit to the unreasonable rules and regulations imposed upon them by the Federal bureaucrats.

My home town, St. Joseph, Mo., has many spacious houses that could be divided up into attractive apartments with very little alteration, but the owners refuse to do this as long as Federal rent control continues. Let me quote from one of many letters I have received:

> I know a building contractor who, with his wife, occupies an eight-room house. The upper story is vacant. He tells me he can put in a kitchen sink, do the work himself, and put in a family, but he will not do this as long as there is a vestige of regimentation left in Washington. That is the story. There are plenty of houses here in St. Joseph now to take care of everyone here, but the housing problem will never be solved from Washington. It never has been and never will be. The citizens of St. Joseph will solve it if Congress will give them the green light.

I quote from another letter:

> I know three elderly ladies occupying three houses—total 21 rooms. All have previously rented rooms. None of them will do so now. They say they will not rent and be stuck for 6 months to a year to get an unsatisfactory tenant out.

These are not isolated cases. There are hundreds of such cases in St. Joseph. I have been informed that in this city of 80,000 population there are now 235 vacant homes—vacant because the owners refuse to rent them during rent control.

In further proof of my contention that we will not be able to solve the housing shortage until we abolish rent control, I would like to quote an editorial that appeared in the St. Joseph Gazette of February 10 this year. It reads as follows:

> If anything were needed to show the complete inadequacy and futility of Government control over rentals it has been demonstrated in St. Joseph by the failure of the campaign to convert existing large structures—of which there are many here—into multiple dwelling units for war veterans.
>
> The city's emergency housing committee, the War Dads organization, contractors, and supply dealers made a concerted effort to see if a number of the existing buildings, including many sizable old homes, could not be remodeled into small apartments to relieve the current housing shortage. Facilities for conversion were available, but rents that could be charged were not sufficient, under the Federal ceiling restrictions, to encourage property owners to invest their capital in the projects. No one is going to put money into a venture that is foredoomed to be a losing one.
>
> Thus a St. Joseph chapter has been added to the volume of a governmental failure to provide promised housing to the men who fought the war.

This is not a condition peculiar to St. Joseph alone. It is true in every metropolitan center in these United States, and it will continue to exist until we get rid of this un-American program.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. I yield to the gentleman from Nebraska.

Mr. BUFFETT. I thank the gentleman for yielding. I simply want to point out to the House that at least two

speakers have said that no responsible witness appeared to oppose continuation of rent control. I quote from page 566 of the hearings, the testimony of Mr. Harry Hansen, of Des Moines, who represented some 20 or 25 different real estate groups. He said:

I am attempting to show that an extension of rent control would be unwise and unnecessary.

I do not know offhand how many witnesses opposed rent control extension, but there were others. There has been a lot of confusion because of the claim of no opposition which should be cleaned up.

Mr. COLE of Missouri. I thank the gentleman for his contribution.

Mr. Chairman, if this amendment is adopted rent control will terminate June 30 of this year. It should have been abolished long ago. To have done so would have solved the housing shortage, so let us now adopt the amendment of the gentleman from Texas, strike title II from this bill and be done with rent control.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY of California. Mr. Chairman, I have heard several speakers say that the Republican Party pledged itself to do away with rent control. I do not believe that to be so. Some of you may have done so. I did not. I told my people that we must continue controls in my district for a short time. I favor local control. I would like to get controls down to the very lowest level. Let me say that my district started at the beginning of this war with 245,000 people and ended up with some 500,000 people, more than half of whom were brought there by the Government for war jobs. The war may be over, but where are we going to put these additional 250,000 people when we have built only a few houses in the meantime?

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of California. I yield to the gentleman from New York.

Mr. KEATING. Is it not a fact that if rent control went off on the 30th day of June there would be complete chaos in the gentleman's district?

Mr. BRADLEY of California. I do not know what would happen. I believe we should have hundreds of people out on the street.

Mr. KEATING. I am happy that the gentleman has gotten up and said what he has because that is exactly what I stated in my campaign. I am for free enterprise, but I never said I would oppose a Government control if it became absolutely essential in order to prevent a chaotic economic condition in this country.

Mr. BRADLEY of California. Rent control, at least to a certain degree, is essential in my district for some few months to come.

I heard it said a few minutes ago that this is a question of a little suffering as opposed to a lot of suffering. As between the two, I stand for the little suffering.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, during the last session of Congress I voted to unshackle the American people by stopping OPA in its tracks, just as did a lot of you ladies and gentlemen here on this floor today. I promised the people that I was going to do everything in my power to give America back to the people and that is sufficient reason for my opposition to the continuance of rent controls. I know that a good share of the veterans of this country are opposed to this kind of stuff; they did not win the war to lose their liberties. They want the shackles taken off of private industry; I know and you know that until we do take the shackles off the property owners and as long as we have this threat of Government control hanging over their heads, confusion and homes for rent will become worse and worse and less and less. How in heaven's name do you expect these people to go ahead with a fair rental program while they live in fear that maybe next year Congress will impose more controls. So I say, take the shackles off and relieve these people. We have long ago released our prisoners of war. Why not give this segment of good Americans their freedom, I ask you in all sincerity, by letting rent control die a natural death on June 30 next?

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. ANGELL].

RENT CONTROL UNDER H. R. 3203

Mr. ANGELL. Mr. Chairman, in my district, which is a metropolitan district, rent control has not provided housing for veterans and others. There are two things that we ought to have as objectives in legislation of this type. One is to provide more rental properties and homes for sale at reasonable prices, and the other is to deal fairly with the people who have their funds invested in this type of property. We are accomplishing neither. During the Seventy-ninth Congress I voted for the legislation and the large subsidies that were intended to help solve this problem. They have not solved it, and, in my judgment, the bill that is before us will not do so. It is a travesty on the people who own property, trying to rent it at a fair rental. They cannot rent it and obtain a sufficient amount to maintain the properties, pay the taxes, and get anything on their investment. Now, that is un-American. It should not be allowed. On the other hand, it is preventing veterans from securing homes.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. ANGELL. I yield to the gentleman from Texas.

Mr. WORLEY. Would it not be far more desirable, if we had to have rent control, to have the several States administer it?

Mr. ANGELL. Absolutely. If we are going to have control over one segment of our industry or our economy, let us have it over others and not restrict it to any one single segment and give the others free rein. Under this legislation, you are allowing new houses to go sky high, no limit. You are allowing houses not rented for 2 years to go sky high, but these people who have been honest and decent with their property and have rented it under OPA rules are frozen at what they were in 1942. You have a heel on their necks, and you are going to keep it there under this bill.

Mr. Chairman, in common with all of our colleagues in the House, I am deeply interested in maintaining rents throughout the Nation on a reasonable basis so that veterans, as well as all low- or moderate-income families, may be able to secure housing accommodations within their means. Equally desirable is the maintenance of housing construction on a basis that will provide residential properties for these same classes of our citizens at a price which is not only within their means, but which is based on fair values for the properties obtained. Unfortunately under rent control these objectives have not been secured.

Construction of moderately priced homes has been stymied and the grandiose program enacted by the Congress, with heavy appropriation for subsidies, has failed to break the deadlock and provide home for veterans and others. Government controls have prevented construction of these low-cost houses instead of helping it. The rigid controls under rent control have prevented veterans from finding roofs for their families at prices they could afford. Under this new program, rent administrators will permit rental prices for newly constructed homes, or unrented homes, to soar sky high and, at the same time, they will hold down rentals at starvation levels for small family units owned by widows, retired school teachers and other property owners who are dependent on the income derived from these small properties for a livelihood—this inconsistency exists even where the two properties may be side by side in the same block. The Rent Administrator has refused to give any consideration to protests or efforts to remedy this injustice.

In the Portland area costs of operating residential properties has practically doubled, and many items have more than doubled. A recent survey in Portland shows the following increases in the cost of operation:

Fuel oil, price on March 1, 1942, $1.27 per barrel; price on April 1, 1947, $2.20 per barrel, an increase of approximately 80 percent.

Other costs which are necessary to keep a building in operating condition have risen as follows since March 1, 1942:

	Percent
Oil-burner repairs	80
Refrigeration repairs	80
Roofing repairs	80
Plumbing repairs	100
Paper and paperhanging	150
Recovering davenports	100
Cleaning apartments	100
Garbage collection	80
Boiler and firebox repairs	190
Paint	50
Carpets	60
Rebuilding mattresses	120

All other incidental expenses such as janitor supplies, brushes, garbage cans, electrical and plumbing fixtures have all risen.

As I have said, the rent administrators have turned a deaf ear to the protests and requests of owners of property to permit them to charge a fair rental so that they may be able to save their investment. Owing to these hardship conditions, owners of these properties have been unable to keep up repairs such as painting, redecoration, roofing, and other necessary corrective care which is necessary to prevent obsolescence and destruction of property, thus rendering it unfit for occupancy. This does not mean, however, that the funds which would have been spent for repairs was saved, as has been contended by OPA. It means that the evil day is only put off, and when controls are lifted the owners, if they are to preserve their properties from complete destruction, must make not only all the repairs which have been allowed to go by the board from month to month and year to year, but must make them at a considerably increased cost, due entirely to the fact that they were not made when first needed.

In the city of Portland there is a large number of residential facilities which would be available for veterans and others at moderate prices if rent control would permit them to be used for that purpose. OPA has consistently refused to place a rental price on these properties which would permit the owners to rent them without suffering a loss, and as a result they have not been rented. Furthermore, thousands of apartment units in the Portland area are occupied by one tenant, but are suitable for four to five tenants. However, OPA has refused to permit the owners to charge any substantial increase by reason of the increased number of tenants. Anyone familiar with the rental of properties knows that the owner is subjected to much greater expense in furnishing facilities for five persons instead of one, and in many cases he supplies laundry and laundry facilities, water, gas, light, heat, garage, and other services provided in apartment properties.

I call your attention to an instance which came to my personal attention when I was home during the last recess. A modern, five-room apartment was completely refurnished with new furniture, redecorated and repainted throughout, at a cost of some $3,000 to the landlord. The OPA, however, refused to permit an increase of more than $2.50 a month for these additional facilities in an apartment suitable for five tenants. As a result the apartment was rented to one lone tenant.

The Secretary of the Oregon Apartment House Association of Portland, whom I have known for a long time and whose word can be depended upon, some time ago advised me that in the Portland area rental units now available could house in excess of 20 percent more people if taken out of rent control and with a comparatively small increase in rental. He stated that a five-room apartment, now renting to one person for $40, could easily be rented to a family of three for $50, but under OPA regulations this cannot be done. He asks the question, and I quote from his letter:

Why should rental property alone be held to 1941 prices in these days of inflation, with the dollar at about 60 cents, labor prices more than doubled, and most commodities increased at least 40 percent?

An outcry is made if the Negro, the Catholic, any class of foreign-born citizen is discriminated against. Why, then, discriminate against the most patriotic citizens—the property owners—who on many crises were the sole remaining bulwark and support of our country and its institutions? Why discriminate against property?

OPA was justified by the courts, only as a war measure; but the war is now over. Housing control was justified on security of abode for war workers. There are no war workers now. Furthermore, there are 1,800 idle apartments in Portland alone, formerly used by war workers, so all necessitous cases can be now housed. All reasons now fail.

But housing shortage anywhere can be immediately alleviated 20 percent by granting fair charges for increased occupancy. For the good of those seeking housing, as well as OPA employees and the country generally, OPA should be discontinued.

Mr. Chairman, as I have said I want to do everything possible to protect veterans in their right to obtain homes at reasonable rents. Under date of April 29, 1947, I received a letter from Omar B. Ketchum, director of national legislative service, Veterans of Foreign Wars of the United States, in which he suggests certain amendments with reference to this legislation. The letter is as follows:

HOMER D. ANGELL,
Member of Congress,
Washington, D. C.

Re H. R. 3203.

DEAR CONGRESSMAN: As legislative director of the Veterans of Foreign Wars of the United States, representing some 2,000,000 overseas veterans of World War II, I should like to present our position with respect to H. R. 3203.

There are several amendments that should be made to H. R. 3203 in order to protect veterans and to provide the housing promised them under the Government housing program.

1. Authority to allocate a few basic raw materials, such as pig iron, shop-grade lumber, and steel, should be continued; otherwise we may lose a large volume of veterans' housing construction.

2. The Veterans Emergency Housing Act, passed last May, provided a program of guaranteed market contracts to induce companies to manufacture houses or new types of building materials. Many producers relied on these provisions continuing in force to the end of this year. What they will produce is important to veterans' housing, particularly in building houses at lower costs. Companies who have already filed applications are entitled to have the Government act on those applications and to make contracts, if the companies meet conditions set up in the law.

3. It isn't enough to just limit recreation-type construction. Any nonessential or deferrable construction should be postponed, so that it will not take materials from veterans' housing.

We are heartily in accord with the proposed Sundstrom amendment to title I (p. 3, line 9, sec. 4), which would amend title VI of the National Housing Act and place manufacturers of factory-built homes on the same FHA financing level as builders of conventional-type homes.

Under title II (sec. 204 (b), p. 13, line 21), the second proviso would, in our opinion, permit landlords to force prospective tenants to sign leases at a 15-percent increase, in order to occupy vacant housing units. We suggest that this proviso be carefully analyzed before passage of the bill. On the following page, we have listed suggested amendments to the bill H. R. 3203 for your consideration.

Very respectfully yours,
OMAR B. KETCHUM,
Director, National Legislative Service.

SUGGESTED AMENDMENTS TO H. R. 3203

1. Under title I, section 1 (a), end of line 5, on page 2, add: "*Provided further,* That the powers conferred by said sections shall continue in force and effect to permit continued allocation and priorities for pig iron, shop-grade lumber for millwork, steel, and for bottleneck items needed by public-service utilities and producers of housing and materials."

2. Under title I, section 1 (a), end of line 5, on page 2, add: "*Provided further,* That the powers conferred by said section shall continue in force and effect to enable action upon applications for guaranteed-market contracts filed prior to February 1, 1947, and to enter into guaranteed market contracts with such applicants when the necessary conditions for their approval are found to exist."

3. Under title I, section 1 (b) should be amended by adding the following words: "or any nonessential or deferrable nonresidential building or facilities, including tourist or residential construction not suitable for year-round occupancy."

Mr. Chairman, I urge the Committee to give consideration to these suggestions.

Mr. Chairman, as I said at the outset, the objective we are seeking is to take a course of action that will, as far as possible, provide housing both for rental and purchase by veterans and other moderate-income citizens at levels within their financial limitations. This is not possible under the existing controls of OPA. The Seventy-ninth Congress passed a number of laws and provided large appropriations in an attempt to bring relief in the housing emergency, but to no avail. Whatever action we take should be with the objective, first, to protect the rights of our people in need of homes for themselves and families. We should not, however, overlook the fact that our citizens who have invested their money in properties for residential purposes are entitled to the same consideration as any other group of citizens. The great percentage of these owners are people of small means—in many cases their only income is from the rental of these small units. They have been frozen at prewar prices which, in most instances, were distressed prices based on depression conditions, and now the income is wholly insufficient to maintain the properties and provide any return to the owners on their investments. There is no reason, in my judgment, why these owners should be singled out in a class by themselves, to have the return on their investments frozen, whereas every other segment of our national economy has been given substantial increases in income ranging from 25 to 75 percent over prewar income. There seems little doubt that the present bill we are considering will not provide rea-

sonably priced housing for veterans and others, and it will still keep the heavy hand of war controls on owners of rental residential properties. It is not a solution of either horn of the dilemma. Under it owners of newly constructed properties and unrented units of 2 years standing have the right to rent at any price they like, but the thousands of others who have maintained their properties through the prewar depression, through the war and now through the postwar period at starvation prices, are given no relief.

Mr. Chairman, a veteran who buys a new home at present prices which are 50 to 100 percent above prewar values is buying a gold brick. Five, ten or fifteen years from now in all likelihood its value will have shrunk to prewar values and the veteran will have lost all moneys invested therein. Many of these homes are poorly constructed, much of the material therein is of inferior quality and the houses rapidly deteriorate.

Mr. Chairman, this bill is also objectionable for another reason in that the Congress surrenders its power to legislate to the President. We are passing the buck to the President.

The Congress should face its duty itself, pass legislation as provided by the Constitution. Let us not delegate any more of our constitutional duties.

Mr. Chairman, this bill will work a great injustice on veterans and other renters as well as upon the landlords.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, 2 minutes under the latest national emergency is not very much, but I am here to express exactly the same thought I expressed yesterday—not rent control or noncontrol, but the more basic issue as to whether we are going to live under the terms of our Constitution or whether we are going to abridge the fundamental rights set forth in that great document.

Now, this legislation and any legislation which mitigates against one section of the public is class legislation, and the moment we open the door to class legislation we open it up to legislation against Catholics, Protestants, Jews, or any other group, creed, or color. The door is open.

Due process of law is assured under our Constitution. This legislation and any legislation like it does not accord this due process of law. It is not due process to confiscate property by legislation, when you make it impossible for the man who owns that property to maintain it. That is not due process of law.

Go out here, gentlemen, and look at the painting on the staircase wall which pictures the signing of the Constitution. I say they were signing a great Magna Carta of personal freedom under law. They were not signing a mandate for confiscation.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr RANKIN].

Mr. RANKIN. Mr. Chairman, I am ready to vote on this. I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, supplementing the remarks of the gentleman from California who just left the floor, the Constitution also says that citizens shall have the right to be secure in their property. I want to shed a few tears, real tears, and a few synthetic tears, for the tenant who cannot find a home, except at what he considers excessive rent. Then I want to shed a few more tears for the veteran who last week wrote me a letter, for the woman who is a widow who also wrote me a letter last week—maybe I can put them in the RECORD so you can be sure to have them; they both owned property which each wanted to rent, but neither could rent—one was in South Bend, Ind., and the other in Niles—neither could rent the property to a tenant whose wages were double what they had been prior to the war, and keep up the taxes, insurance, and repairs—when forced to accept the rent fixed by the Federal agency.

I do not know whether the gentleman from Michigan, the chairman of the committee, feels more sorrow for the tenant or for the veteran who had the house for rent, or for the widow. But to me it certainly is repugnant to think that the old man and the old woman who worked and saved and bought a home—maybe the husband died, maybe the widow is there alone, she has the old home, there are more rooms in it than she can use and she wants to rent some of them, and she would like to get enough rent so that she can pay the taxes and pay for the repairs that are absolutely necessary, keep the roof from leaking, if you please. She would like to rent for enough for all that; but no, the Government says—because the Congressman says—"You cannot do that, even though the man who is in the apartment with his family is receiving twice the wage he received a few months before." No, even though the old Constitution says you shall be secure in your property, Congress now declares you must bear a part of the tenants' rent. To me that is unjust.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr FOLGER. Mr. Chairman, it has been my habit never to say anything when silence would do as well, but strange things have happened, when the claim is made that there is not a need for housing in the United States of America. I remember just a little bit differently from the statement made by some of my friends. One man who was excited, and I thought was so intense about things that concerned him personally, made the statement that there was no housing shortage in this country. Every person in the room was astonished at such a statement. Men who were in the real-estate business, men who were representing rental agencies, men who were home builders—every one of them testified to that committee that there is yet a serious shortage of houses and that if you take the rent ceilings off in this country you will have a state of chaos.

What is it for? To keep the man of small income from being turned out in the street by the bidding of somebody financially able to turn him out into the road. I am standing by this committee on this proposition.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from New York.

Mr. KEATING. With thousands of such people in this country today, does the gentleman need any long figures to prove to him that there is a serious emergency existing in this country?

Mr. FOLGER. Not at all. We are going upon the testimony, and every bit of it, except in that one instance, was to that effect.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I think all of the arguments which were made against the amendment offered by the gentleman from Ohio [Mr. SMITH] apply equally to this amendment. As I understand it, this amendment has a similar, if not identical, purpose and likewise should be defeated.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WORLEY: On page 9, line 19, strike out all of title II, "Maximum Rents."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. WORLEY].

The question was taken; and on a division (demanded by Mr. WORLEY) there were—ayes 60, noes 133.

So the amendment was rejected.

Mr. RANKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. RANKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. RANKIN. Mr. Chairman, the passage of this motion will simply mean that this crazy rent-control program will end on June 30. You talk about democracy; you talk about constitutional government. The only difference between communism and fascism between Stalin and Hitler, when it came to taking the property of the people of Russia and Germany, was that the Communists took over all the property in Russia, and Hitler took over control of all the property in Germany.

I am surprised to hear men get up here and talk about the house owners as a little minority. Who constitutes this little minority? They are the sound patriotic people back in your districts who are trying to own their own homes and who want to control their own property. I have heard them get up and talk about

veterans. I have been the author of more legislation for the benefit of veterans in the last 16 years than any other man who has served in the Congress of the United States. This thing is injuring the veterans. If you will go back to your districts, you will find that the majority of them want to get rid of it and get back to constitutional government and get rid of these regimentations.

If this bill is passed, in my opinion, you will have the same trouble next year and the next year and the next year. If you were back home and owned a house, you would not want to rent it to anybody, for the simple reason that the moment you did you would get the hands of this bureaucracy on it and you would never know where you were from that time forward. You will have more houses for rent and more rooms for rent and more apartments for rent if you adopt this motion and kill this measure and let this rent control die on June 30.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COLE of Missouri. Does not the gentleman think that in those congested areas where they might need some control the local authorities would be best able to cope with that?

Mr. RANKIN. Let the local authorities do it.

Mr. COLE of Missouri. That is right.

Mr. RANKIN. Let the States do it. The gentleman from New York [Mr. KEATING] talks about his own State. I cannot think of any way the State legislature can regiment the people of New York any more than they have regimented them under that crazy FEPC law that they have up there. If they can stand for that they can stand for anything the Legislature of the State of New York can put upon them. But in those States and those areas where they want this regimentation, let them have it, but let the States do it.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SMITH of Ohio. The gentleman stated that if he had a house he would not rent it. That is not because he would be afraid of the renter, but because he would be afraid of the bureaucrats.

Mr. RANKIN. Why, certainly. I would not want one of these bureaucrats to get his fingers on it. That is exactly what I am talking about. When I say that, I am expressing the views of thousands and thousands of people throughout the United States—hundreds of thousands of them, and probably millions of people, who own property and who have held it back because they do not want the hand of some bureaucrat on that property and have somebody in Washington telling them what to do.

This thing will swell and grow until it will be a worse scandal than the present Indian Bureau. Look how it has grown. Bureaucracy grows on what it feeds on. We have just fought a war against Hitler and against Japan. We were fighting against the very thing that this bill exemplifies; that is, dictatorship; totalitarianism. Who do you think will tell the people of California what to do with their property? Who do you think will tell the people of Michigan or Mississippi or Alabama or Tennessee? It will not be somebody there who knows what they are doing. It will be some long-nosed bureaucrat behind a desk here in Washington.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CHURCH. On page 245 of the hearings there is recited the testimony of Herbert Q. Nelson, in brief, as follows:

> Altogether the net result of rent control and the drive to create new rental properties has resulted in a loss of approximately 2,000,000 rental units.

Mr. RANKIN. Absolutely. It has done more harm than good. Here we are, 2 years after the war has closed, regimenting the property owners, including the veterans who fought the war to end such dictatorship.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes, I yield.

Mr. KEATING. I think it should be brought out that the gentleman who gave that testimony is executive vice president of the National Association of Real Estate Boards.

Mr. RANKIN. Well, does the gentleman think that disqualifies him to testify?

Owning a house ought not be made a crime in this land of the free.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. WOLCOTT. Mr. Chairman, I would like to call attention to the fact that if the gentleman's motion prevails, all of the controls on the allocation of materials, including the payment of subsidies, including guaranteed markets, including directions by the Expediter to all other agencies of the Government in respect to materials—in other words, controls over our entire country will be continued until December 31, 1947.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes; I yield.

Mr. RANKIN. All right. If the committee does its duty, it will bring in another bill relieving us of that.

Mr. WOLCOTT. The committee has done its duty.

Mr. RANKIN. You are piling one monstrosity on top of another.

Mr. WOLCOTT. The committee has done its duty. In addition to that, I should call attention to the fact that if the motion prevails rent controls will be continued on new properties until June 30, 1947. Of course, the motion offered by the gentleman from Mississippi should be defeated.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CURTIS. Is continuation of rent control the consideration that must be paid to get these other controls ended that are no obnoxious?

Mr. WOLCOTT. Well, I assume the committee has already acted on that, and they have already passed, without deleting it, title I, which has to do with the controls other than rent. The committee in its judgment has already accepted that provision. So the provision before us now is title II, having to do with rent controls. The orderly procedure, of course, would be to take it up and either vote it all up or down. I assume anybody will be given an opportunity to offer amendments to it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HOFFMAN. Assuming there is a shortage of homes and that the rents are exorbitant, how do you justify putting the whole burden of helping the tenants on the property owner, instead of on the taxpayers at large? Why not let the Federal Government pay subsidies?

Mr. WOLCOTT. Does the gentleman recommend paying home owners a subsidy to keep rents down?

Mr. HOFFMAN. Not the home owners, no. I am asking if you must give the tenants relief, why not let all the taxpayers do it through the payment of subsidies?

Mr. WOLCOTT. What have the taxpayers got to do with rent control?

Mr. HOFFMAN. Oh, what you are proposing to do is to make the home owner make concessions so that the tenants can get cheaper rent. I say that if that is the position, why not let the public do it? Why make a goat out of the home owner?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

All time has expired.

The question is on the motion offered by the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 56, noes 153.

So the motion was rejected.

The Clerk read as follows:

DEFINITIONS

SEC. 202. As used in this title—

(a) The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or a legal successor or representative of any of the foregoing.

(b) The term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, rooming- or boarding-house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

(c) The term "controlled housing accommodations" means housing accommodations as defined in subsection (b), except that it does not include—

(1) those housing accommodations, in any establishment which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone, and secretarial, or desk service, use and upkeep of furniture and fixtures, and bellboy service; or

(2) any motor court, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

(3) any housing accommodations (A) the construction of which or the conversion of which from existing residential use into

housing use providing additional housing accommodations, is completed after the date of enactment of this act, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect, or (B) which at no time during the period February 1, 1945, to January 31, 1947, both dates inclusive, were rented (other than to members of the immediate family of the occupant) as housing accommodations.

(d) The term "defense-rental area" means any part of any area designated under the provisions of the Emergency Price Control Act of 1942, as amended, prior to March 1, 1947, as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of such act, in which maximum rents were being regulated under such act on March 1, 1947.

(e) The term "rent" means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 11, line 10, strike out the semicolon and the word "or"; strike out all of lines 21 to 25 inclusive, and on page 12 strike out all of lines 1 to 10, inclusive.

Mr. MONRONEY. Mr. Chairman, this amendment is an effort to prevent authorizing uncontrolled rents for a large segment of property owners, those new builders or people who have not rented their houses for the last 2 years. It is an effort to put all of the people in the rent-control areas on a more equal basis.

We had a good deal of testimony, I am willing to admit, that was given to the committee that by removing all ceilings on rents on new construction and on houses which have not heretofore been rented, that we might bid out an additional supply of housing.

I cannot go along with that line of reasoning.

I think you are going to increase and magnify inequalities within the same rental areas by giving uncontrolled rent ceilings on new houses which will sit next door to or across the street from houses that have been under rent control since 1942. I have, in the past, received a great amount of correspondence from people who have houses to rent complaining against the high-rent prices that have been allowed for new construction.

You are not subjecting people who have new construction for rent to the 1942 ceiling or at rates that are comparable to the 1942 ceilings. Most of the testimony from those connected with the administration of the program was that people who do build new housing, either apartments or single-family dwellings, are satisfied with the higher rent ceilings given them because their costs are a great deal higher.

Mr. Creedon, the Housing Expediter, and Mr. Foley of the FHA stated they have had practically no complaint against the ceilings that have been established on newly constructed houses.

But now under the bill as written, if my amendment is not adopted, you are going to say to these people who build new houses: "Boys, the sky is the limit. You can come in and charge anything that the traffic will bear, not the high ceiling as granted by FHA, but you can use your own judgment and get any rate that you can."

Across the street and down the street 95 percent of the people are under price control who must stay there and take that degree of inequity. I do not think it is fair to the people who have had to put up with the difficulties of rent control to free these others from the act.

There is one other thing I want to call your attention to and that is the Government help in new construction which I think is highly important. Under title VI that is continued in this bill, we give what amounts to 100-percent insurance of investment for any rental project under FHA. Can you imagine any better deal that has ever been given to the constructors of housing than what you are giving them under a hundred percent Government insurance to build housing at this time?

I think we are entitled to expect these builders to live under some kind of a reasonable ceiling. The testimony has been that these ceilings fixed for new construction are reasonable. I do not think it is asking too much, and I think it would be very wise, to strike out the language in the bill that gives this carte blanche exception to anything that has been newly built after the passage of this act.

One other thing I would like to especially stress and that is the complete exception given by this bill for anyone who has held a house off the market for 2 years. If you have been opposed to rent control for 2 years, if you have denied a veteran a chance to find a roof to put over his head for 2 years after he came back from the war, then we are going to reward you with an uncontrolled rent ceiling; you can charge anything you want to charge simply because you have been obstinate enough to take your house off the rental market for the past 2 years.

Mr. Chairman, I do not think that is the kind of reward we ought to give the people who have denied the veterans much needed housing.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Chairman, it is not clear in the bill—I am sure it is not intended—but this 2-year exemption, which means that if your house has not been rented for 2 years you can rent it and not have a ceiling on it might result in this: If a landlord owns two houses, one in which he lives and the other which he rents, he can, if he wishes, get possession of the house he has been renting, then turn around and rent without any price ceiling at all on his own home. I think you are going to upset considerably the status of the tenants who have been living in these houses simply because of this key switching to avoid any ceiling on the house from which the owner has moved.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Iowa.

Mr. JENSEN. The 100-percent guaranty under title VI is in my estimation, one of the greatest detriments that this country ever imposed on the veterans, for the very reason that the veteran goes in and says: "I want to build this house, which will cost $8,000." The banker says, "Well, he is a veteran and we have to be good to him." So the veteran builds an $8,000 house. It is the most inflationary thing we have. It is the thing today that is raising the prices of houses away beyond all reason and that is a detriment to the veteran. This week a subcommittee of the Appropriations Committee is considering a bill in which housing appears. When that bill comes to this floor we will prove to you what title VI has done to the American veteran.

Mr. MONRONEY. The gentleman is talking about houses for sale. I am talking about houses that are built for rent, large apartments built by nonveteran contractors for rent to veterans with a hundred percent Government insurance. We now take the ceiling off and tell them they can charge any price for rent they want.

Mr. JENSEN. But the gentleman was talking about title VI.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a little while ago something was said about intellectual honesty. Over the years we have been paying subsidies to milk producers, to farmers on many crops. We have been paying on cotton on meat, on butter—to others—many others.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. SMITH of Ohio. Tell the House what the difference is between intellectual honesty and any other kind of honesty.

Mr. HOFFMAN. And a moment ago I asked a hypothetical question. I want to ask it again, and it is this: Assuming that there is a shortage of housing; that rents are excessive. Just accept those two statements as facts. There is not enough housing, and the greedy landlord in overcharging. Inasmuch as over the years the Government has subsidized practically—well, first this group and then that group here in America, and spent something like so many billions, I do not know how many, to subsidize the people of other countries, the poor Greeks and the Turks, and a half dozen other peoples, in fact almost everybody everywhere in the world, so we have now this great emergency here in America where the poor folks, some of whom are getting twice what they got before for the same work, still cannot pay the rent without inconveniencing themselves, we

say we must give them homes and apartments at a lower rent—accept all that as true.

Then, my question is this, and I say again to the chairman of the committee—being intellectually honest. I am just returning the compliment—inasmuch as you insist upon giving the tenant cheaper rent or, at least, no higher rent, are you going to make the man who owns the home, the veteran, or the widow—are you going to make that individual come down on the rent or hold it down at a figure which is below actual cost of repairs and taxes? Do you intend to put the whole burden on the home owner instead of on the Nation or the taxpayer? If tenants must be aided, why do you not pay it out of the United States Treasury as you do the subsidy to the milk producer, to the cotton farmer, the wheat farmer, and the people of Europe, Asia, and Africa? What particular thing was in the minds of the committee or of the Members who support this bill that induces them to make the home owner shoulder the whole burden? What grudge have you, I want to know, what grudge have you against the man who owns property?

What grudge have you against the men and the women who worked and saved and denied themselves until they could purchase rentable property? He pays taxes, he supports the Government, and in return the Congress makes him share his property with a class—with tenants. Now, you come along and say, "Oh, well, the tenant cannot afford to pay, so you must stand the loss and make good a part of his rent." Why do you not be fair about this thing; at least, as I see it, why do you not be fair about it and let the Government pay to the tenant whatever is necessary to enable him to obtain a place to live? Give him a subsidy, if you must, but do not load it all on the home owner. Why soak the individual who has been industrious, who has been thrifty? What have you against him?

Now, think that one over tonight, and if you cannot sleep because of something you ate, not because of your vote that you intend to cast which will deprive a man of a part of his property, but because you had too much for dinner; if you cannot sleep, think that one over and tell me sometime privately—I would not want you to tell me publicly—what is the answer to that question—to the question: Why soak the landlord for the benefit of the tenant? Why, if tenants need help, not let the Federal Treasury absorb the cost? It cannot be because there are more tenants than landlords, can it? It cannot be because votes are needed? That cannot be the answer. What is the answer?

Mr. SHAFER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SHAFER. Mr. Chairman, I am puzzled and disturbed by the antics of many Republicans on this bill. I am unable to understand why many who were loud in their cries to get rid of controls last year are today vigorously supporting this mongrel bill.

How so many can change their colors in a year's time, especially in view of the action of the people in the election last November, is unexplainable. A year ago when the question of extending rent control was being considered in this body most Republicans stood shoulder to shoulder and fought legislation offered by the Democrats. We told the people that the war was over and that we were going to end all controls and get rid of the bureaucrats and government by emergency. The people believed us. They said they had had enough.

Today some of the same Members who last year fought continuation of controls are today supporting this mongrel bill. A year ago, at the same time, those Members on the other side of the aisle demanded and voted for continuance of controls. What happened to them last November is well known. Many of them were retired to private life. Now, Mr. Chairman, just because the Democrats were crazy a year ago, why would we be crazy this year?

I have attended many committee meetings since the beginning of the Eightieth Congress during which extensions of this and that control have been considered. I have heard one bureaucrat after another testify that there are still emergencies and that controls must be continued. I am convinced that the testimony I have heard is a part of the New Deal technique to defeat the Republicans in 1948. This is how they are planning. They want the Republicans to fail in their promises to remove controls and they want all controls to continue at least until June 30, 1948. Then they themselves will join the movement to decontrol. They know that there is certain to be a temporary increase in prices following the removal of controls, and they want those increases to prevail just prior to the 1948 election. Then they can blame the Republicans for them.

I say, now is the time to take off controls. Prices will then level off in the next 6 months and government by emergency and fear will be history. Wait until next year to remove controls and you can hold the first Republican caucus of the Eighty-first Congress in a telephone booth.

That prices will level off is shown in the meat situation in the United States today. Since the removal of price controls the price of meat has been steadily leveling off and meat is becoming more and more plentiful. Prices are certain to come down.

Let us defeat this bill before us today I have never seen a worse piece of legislation. No matter how much you amend it, it will still be a bad bill. Let us do away with it. Get rid of those bureaucrats who have proven they are unable to use common sense in administration of controls. Let us give the country back to the people. Take off rent and building controls and we will get houses in America. Controls are the reason we have a housing shortage in the country today.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think I should call attention to the fact that the amendment offered by the gentleman from Oklahoma would continue rent controls on newly constructed units, units constructed after the effective date of the act, and those which are made available through conversion. It also would continue controls on properties regardless of whether they had been rented between February 1, 1945, and February 1, 1947. In other words, the effect of the adoption of the amendment offered by the gentleman from Oklahoma would be to continue rent control on all units. The purpose of taking rent controls off units completed after the effective date of the act is really the meat of this title. We seek by taking these controls off to encourage production, and through production, which we think will result from the removal of these controls, we hope to get enough rental units so that it will be safe to take controls off all units even before the expiration date of this act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The amendment was rejected.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire at this time to propound an inquiry to the chairman of the Committee on Banking and Currency, the gentleman from Michigan [Mr. WOLCOTT]. Did I understand you to say a while ago that if the motion of the gentleman from Mississippi to strike out the enacting clause carried, that the Committee on Banking and Currency would not reconvene and pass title I which frees practically all building materials from control?

Mr. WOLCOTT. I do not remember saying anything like that. The gentleman from Mississippi said that we should reconvene and do that, but I did not say whether we would or not. I do not recall that.

We are considering the bill in Committee of the Whole and that is past.

Mr. SMITH of Ohio. I just wanted to make sure that the gentleman did not intend to say what certainly some of us understood him to imply.

Mr. WOLCOTT. We have not reached that point because the House did not adopt the motion.

Mr. MURDOCK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish, if I may, to ask a question of the chairman of the committee, but first I would like to make this statement.

I recognize the force of much of what I have heard here on the floor this afternoon. I, too, have learned that many old people and others in my community who have spent their lives getting a little property accumulated now depend upon rentals of such property for a living and they feel they have been unduly hurt because of the situation existing under present rent control. We all know how all costs have gone up to the hurt of landlords. I further understand that some rents have been reduced in the last few months to create additional elements of hardship for them.

I would like to ask the chairman of the committee, or someone on the committee, what the provisions are in existing law relative to adjustment of inequities, or what provision is in this bill that would take care of hardship cases. Would the gentleman answer both questions, please.

Mr. WOLCOTT. On page 13, line 18, we provide that whoever is designated as the administrative officer shall make such adjustments in such maximum rents as may be necessary to correct inequities.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. Yes; if the gentleman from Michigan [Mr. WOLCOTT] has finished his answer.

Mr. WORLEY. The very fact that you changed the word "may" to "shall" is an admission that the OPA has not worked fairly and equitably, is it not?

Mr. WOLCOTT. If you want me to admit it, I surely shall.

Mr. MURDOCK. Do I understand then from the colloquy that has just taken place that injustices have occurred and that there have been hardship cases that have not been remedied under existing law but that this bill would provide for a remedy? Is that what I am to understand?

Mr. WOLCOTT. I think that is a very strong declaration that it is the intent of the Congress that any inequities shall be corrected and that the administrator will not be doing his duty as we intend it to be done if he does not correct inequities. The question was asked me the other day as to what might constitute an inequity. I am going to state my own opinion on that. I am not speaking for the committee because the committee does not attempt to define "inequities."

My own thought is that if the landlord is not receiving rent which covers the cost of maintenance, plus a reasonable return on his investment, an inequity exists which should be corrected.

Mr. MURDOCK. I thank the gentleman. I recognize that the landlords as a class have necessarily suffered under existing law and I want them to suffer as little as possible in the general welfare. I do not want to remove all controls and thus create chaos and terrible suffering occasioned by all of these hundreds of thousands of evictions which I am sure would follow. Such a condition, I believe, would not only cause suffering but would probably cause disorder.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think this may give us some light on it. Let us take this language which the chairman has just read to us. Go to your own town and select a certain block where there are four or five houses being rented. That block constitutes a rental area. One of your friends has a home on one corner of the block which is rented. I own a house on another corner of the block. Yours may be a 6-room house, well finished, well painted; mine is a 6-room house, run down. I will wager dollars to doughnuts you could not get an adjustment from the standpoint of an inequity, because it would be claimed that my house was worth just as much as yours, and if you wanted an increase in rent I do not think you could get it under this language.

Mr. MURDOCK. I have a feeling that most of the inequity and injustice caused by the operation of the necessary rent control law for the past few critical years has grown out of lack of adequate adjustments in inequities and hardship cases.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. MURDOCK], has expired.

Mr. DONDERO. Mr. Chairman, I move to strike out the last four words, and I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, will the gentleman yield to me for the purpose of propounding a unanimous-consent request?

Mr. DONDERO. I could not resist yielding to my genial friend.

Mr. WOLCOTT I ask unanimous consent that all debate on this section and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

The CHAIRMAN Is there objection to the request of the gentleman from Michigan [Mr. DONDERO]?

There was no objection.

The CHAIRMAN. The gentleman from Michigan [Mr. DONDERO] is recognized for 7 minutes.

Mr. DONDERO. Mr. Chairman, a little while ago I listened with interest, and satisfaction, to the statement made by my able friend the gentleman from Louisiana [Mr. BOGGS] that he proposed to offer an amendment allowing an increase in rents of 10 percent, straight across the board. I have an amendment on the desk for a 10-percent increase to small property owners of 10 units or less, exclusive of janitor or manager space. Perhaps I am too modest. If that amendment is defeated, I will vote for the amendment which will be offered by the gentleman from Louisiana [Mr. BOGGS] for a 10-percent increase, straight across the board.

The committee that brought this bill to the House has pleaded guilty that this bill is inequitable and unjust, and they did it by indirection. First, they say that for 1947 small property owners shall have no increase in rent, but for 1948, next year, they are entitled to an increase of 15 percent under the provisions of this bill.

The second way in which they plead guilty to the fact that this bill is inequitable and unjust is that if anybody builds a house in 1947, he can have $60 a month for a five-room house, while his neighbor, with the same space exactly and the same modern conveniences, now under rent control and getting $30 a month, can have no increase. How can you justify such a situation as that?

Somebody has expressed a great fear that if rent control is terminated we would have many evictions in this country. There would not be many evictions if a fair and just rent was established between the property owner and the tenant.

One thing more. What would a 10-percent increase amount to on $30 a month rent? It amounts to $3 per month. It would not absorb the increase in taxes alone. Taxes have increased nearly 40 percent since rent control was established. How can anyone reconcile the present rent level of 1941 when nobody denies that the maintenance of property has increased between 70 and 80 percent since rent control was established?

Mr. WOLCOTT. The gentleman does not believe that real-estate taxes have increased 40 percent, does he?

Mr. DONDERO. Very nearly that.

Mr. WOLCOTT. I mean real-estate taxes.

Mr. DONDERO. Nearly that much. I have tax receipts presented to me from some areas showing that the increase has been nearly that much.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. BROWN of Georgia. If the gentleman desires to help that class of people which has been discriminated against in this bill, it is entirely correct that this bill does not give any relief to that class of people. That class of people under present law has received an upward increase of only three-hundredths of 1 percent—3,670 out of 16,000,000 renters.

Mr DONDERO. And there are more than 15,000,000 people in that class.

Mr. BROWN of Georgia. Now they say they want an amendment in there, they want the word "shall" substituted for the word "may." The word "shall" is no stronger than the word "may" in the hands of an unsympathetic administrator. The word "shall" does not give relief to the class of people under consideration.

Mr. DONDERO. That would not give relief if we depend upon the administration of this act for relief of the small-property owners, because they will get none.

The CHAIRMAN. The time of the gentleman from Michigan has expired; all time on this section has expired.

The Clerk read as follows:

TERMINATION OF RENT CONTROL UNDER EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 203. After the effective date of this title, no maximum rents shall be established or maintained under the authority of the Emergency Price Control Act of 1942, as amended, with respect to any housing accommodations.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a very high regard for the chairman of our committee. He is capable, he is industrious, and he is sincere, but I think in this particular instance the mountain has labored and brought forth a mouse.

I voted with reservations and misgivings and some regret to report this bill.

I voted for it because of the alternatives: Either rent control would be discontinued on June 30 or we would have this bill which would continue it to March 31, 1948. I am not one of those who believes that we can do away with rent control at the present time.

I believe there is an emergency, and the courts place a high regard on the findings of fact in a legislative body and will not go behind them. We have said there is an emergency in this case, and there is. Ten million men have been away. We have had to figh a war. All of our energy and our industry was used in fighting that war and homes were not built. Now these men are coming home. This is the biggest question that can present itself to the American people. "House" does not mean shelter. It means a home; it means comfort and the satisfaction of our citizens. That is the greatest force against subversive activities, because none of them are born in the home. It is the very pillar of our Republic and when the American people have not sufficient homes you weaken the very structure of our Government. It is a great question.

Mr. Chairman, I do not believe this bill will do what it proposes to do. You do not like regimentation, you do not like control, but the profit system is almost as strong as the desire for self-preservation. Men are going to build things from which they think they will realize the greatest profit. The home is not always the most profitable investment. It is a stable investment and a good investment, but men, particularly in these times when there is plenty of money and great opportunity, will channel their materials into other fields and they will not build homes. That, it seems to me, is obvious.

How can you make under our free institutions a man build any kind of a structure that he does not desire to build? The only way is by the allocation and priority of materials and in consideration of those materials he promises to build a certain character of structure. That is out of this bill. Allocations and priorities are gone. You may say that is regimentation. Well, maybe it is, but it is temporary regimentation for a very meritorious purpose.

Then we come to the question of controlling rents. It has been demonstrated that a weak price-control bill is worse than no price-control bill at all and a weak rent-control bill will be worse than no rent-control bill. If you are going to control prices on rents you must control them adequately and entirely. This bill does not do that.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the gentleman from Texas?

There was no objection.

Mr. SPENCE. Mr. Chairman, the committee adopted a straight across the board increase of rents of 10 percent. Then after long deliberation it revoked that decision and in lieu of that was placed the amendment that gives the landlord, if he can persuade the tenant to agree to it, after the effective date of this act and before March 31 a 15 percent increase in a lease that will expire on or after December 31, 1948. I agree that many landlords are entitled to an increase. It is not a one-way street. I agree there is nothing so fine as justice to be done to the rich and the poor, the weak and the strong. But what is that amendment going to do? The hard landlord is going to say to his tenant: "I want you to agree to an increase of 15 percent. If you do not agree to it, very shortly these controls will be off rents and I am going to give you all the traffic will bear." What is the tenant going to do? The tenant will say: "Why, of course, I will do that." If the tenant does not say that, it is going to create a strained relationship between the landlord and tenant.

Then, as I read the bill, if that first lease expires or is forfeited, the landlord can make any increase he pleases. Now, you cannot shut your eyes to the fact that there is a lack of housing in America, everybody knows it, and when there is that condition a landlord who has no regard for his tenant can impose what conditions he may see fit upon the tenant. But, the good landlord will not do that. So, this is not a bill having to do just between landlord and tenant or to take care of the hardship cases and to help the hardship cases. Many landlords are fine people, but there are some men who get the tenants in their toils in that respect and just give him all they can. Those are some of the things that this act does.

Another thing, instead of taking the responsibility ourselves we pass the buck to our great hard-working and overburdened President and tell him to decide whether or not it should continue after December 31. That is a legislative function and that is a legislative duty that is our responsibility, and I do not think that ought to be in the bill. I think we ought to decide when these controls should cease. I do not think there is any doubt that the same conditions that exist now will exist on March 31, and I am not so much enamored of statistics. I know the conditions that exist. You know the conditions that exist. There is a shortage of housing in America, and every man who has had an opportunity to observe conditions knows that. I do not care what these statistics show or that there may here and there be an increase of housing over the demand. Wherever there is, the controls may be taken off even under this bill. But where those conditions exist these controls ought to continue until normal conditions somewhat return, not only for the benefit of the veteran. The veteran is not a segregated class of the American citizens. The veteran has not an interest different from the rest of the people of America. Prosperity and happiness are shared by all the people and we should be interested in the welfare of all the people, including the veterans. I think that we ought to consider this thing.

I am going to vote to recommit this bill in the hope that a bill may come out of the committee that will serve the purpose we desire to achieve. The proper solution of the housing problem is not only of the greatest importance to our people now, but to future generations.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 13, line 2, after line 2 and before line 3, insert:

"On the termination of rent control all records and other data used or held in connection with the establishment and maintenance of maximum rents by the department or agency designated pursuant to section 204 (a) and all predecessor agencies shall, on request, be delivered without reimbursement to the proper officials or any State or local subdivision of government that may be charged with the duty of administering a rent-control program in any State or local subdivision of government to which such records and data may be applicable."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Speaking only for myself, may I say to the gentleman that as far as I am concerned there is no objection to the gentleman's amendment if I understand it correctly, that the records are turned over to a State upon request of the State, upon the termination of the Federal rent control.

Mr. KEATING. That is right, in those States which still have a rent-control program. This amendment is offered for a twofold purpose: First, in order to have the records covering all properties in their State in the hands of those who may need them for administrative purposes if rent control should continue in a particular State; and also to serve another purpose. If these records are in the hands of the States, it may prevent the Office of Temporary Control or some other agency from coming in and asking us for a couple of million dollars to write a history of what they have been doing. If they do not have the records they cannot engage in that boondoggling operation at the taxpayers' expense.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Michigan.

Mr. DONDERO. Will the gentleman give the House the number of States that have rent control?

Mr. KEATING. I am not able to do that. I know that my State has, and Minnesota, but I am not familiar with all of them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The amendment was agreed to.

The Clerk read as follows:

RENT CONTROL UNDER THIS TITLE

SEC. 204. (a) The President shall designate the head of a department or agency of the Government, other than the Office of Price Administration or any other temporary agency, to administer the powers, functions, and duties under this title.

(b) During the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled hous-

ing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on the date this title takes effect: *Provided, however*, That the head of the department or agency designated pursuant to subsection (a) shall, by regulation or order, make such adjustments in such maximum rents as may be necessary to correct inequities or to further carry out the purposes and provisions of this title: *And provided further*, That in any case in which a tenant and landlord, prior to March 31, 1948, enter into a valid written lease in good faith with respect to any housing accommodations for which a maximum rent is in effect under this section and such lease takes effect after the effective date of this title and expires on or after December 31, 1948, and if a true and duly executed copy of such lease is filed, within 15 days after the date of execution of such lease, with the head of the department or agency designated pursuant to section 204 (a), the maximum rent for such housing accommodations shall be, as of the date such lease takes effect, that which is mutually agreed between the tenant and landlord in such lease if it does not represent an increase of more than 15 percent over the maximum rent which would otherwise apply under this section; and such maximum rent shall not thereafter be subject to modification by any regulation or order issued under the provisions of this title. No housing accommodations for which a maximum rent is established by a lease pursuant to the provisions of this proviso shall be subject, on or after the date such lease takes effect, to any maximum rent established or maintained under other provisions of this section.

(c) The head of the department or agency designated pursuant to subsection (a) is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area if in his judgment the need for continuing maximum rents in such area is no longer required due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met.

(d) The head of the department or agency designated pursuant to subsection (a) is authorized to issue such regulations and orders, consistent with the provisions of this title, as he may deem necessary to carry out the provisions of this section.

(e) On or before December 15, 1947, the President shall make a determination, and shall declare by Proclamation, whether the controls authorized under this title should or should not be continued beyond December 31, 1947. Such determination, together with the current facts and reasons for such determination, shall be certified to the Congress and copies thereof filed with the Secretary of the Senate and the Clerk of the House. If the President determines that the controls authorized under this title should not be continued then such controls shall cease to be in effect on December 31, 1947. If the President determines, and by Proclamation declares, that the controls authorized under this title should be continued beyond December 31, 1947, in order to carry out the policy declared in section 201, then the provisions of this title shall cease to be in effect on March 31, 1948.

Mr. DONDERO (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of section 204 be dispensed with and that the section be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FLETCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLETCHER: On page 13, line 22, strike out "prior to March 31, 1948." and insert in the lieu thereof "on or before December 31, 1947."; and on page 15, line 8, after "(e)" strike out the remainder of the subsection and insert in lieu thereof, "The provisions of this title shall cease to be in effect on December 31, 1947."

Mr. FLETCHER. Mr. Chairman, as a member of the committee, I am convinced that the only final and completely fair way to end rent control is to terminate it as soon as practicable. I have listened to the comments of the other members of the committee with a great deal of interest. I do not want to question their integrity but I do want to say that there were many, many instances where men appeared before our committee and gave testimony to the effect that rent control could very properly be ended right now. I refer to Mr. Carr, of the National Association of Home Builders, Arthur Binns, of the National Home and Property Owners Foundation; George West, of the United States Chamber of Commerce; Herbert Nelson, of the National Realty Board; and a great many others that I can recall.

Of course, there is a shortage in housing, everyone will agree to that, but I do say there is not a national emergency. I have voted for all of these amendments which have been offered which would terminate rent control on June 30, and I shall continue to vote that way.

However, I can see there is a very definite cleavage here. There are some who feel that would be too abrupt. I am inclined to think that possibly there is some wisdom to a short period before which rent control should be terminated. I feel also there are certain provisions in this bill which will give an orderly termination. I refer to an amendment which I had the privilege of offering in committee which makes it possible by voluntary agreement between tenant and landlord that the two parties can agree to a lease which will carry through December 31, 1948, and the lease will be binding on an increase of rents not to exceed 15 percent.

I believe the indications are that a great many tenants and landlords will get together and voluntarily to all intents and purposes decontrol a great many units and that by December 31, 1947, we will have a problem which will be quite simple and there will not be this great clamor for extended controls at that time.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I am very happy to yield.

Mr. CRAWFORD. In other words, the amendment which the gentleman offers leaves the responsibility entirely in the Congress and we say in this bill that rent controls shall positively end on December 31, 1947.

Mr. FLETCHER. That is correct.

Mr. CRAWFORD. And there will be stricken from the bill the language which, as it has been expressed, in passing the buck to the President and lets the President determine whether or not rent control shall run from December 31, 1947, to March 31, 1948.

Mr. FLETCHER. The gentleman is absolutely correct.

Mr. CRAWFORD. The gentleman puts it squarely up to the Congress and the people by his amendment.

Mr. FLETCHER. The gentleman from Michigan is correct.

Mr. Chairman, this bill ends rent control on December 31, 1947, with only one proviso, and that is the big proviso. I want to call your attention to it if you have not already come upon it. It says where the President by proclamation filed with the House and Senate shows that there is an affirmative need for the extension of rent control, rent control may be extended to March 31, 1948.

Gentlemen, I am unalterably opposed to this Congress giving legislative powers to the President. I feel we must stop passing the buck. We should face this issue squarely. It has been shown that it is not a partisan matter. A great many of my friends on the Democratic side of the aisle are ready to vote for the final termination of rent control, but they do feel that possibly June 30 is a little abrupt. Why give the President an opportunity to extend rent control if you want to see it end? You and I know that as of December 31, 1947, there will be an extension of rent control under the plan which we now have in the bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. OWENS. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for three additional minutes.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, and I shall not object, I merely want to point out to the Committee that we want to get along with this bill. I understand we are going to finish the bill tonight. Of course, I do not object to the gentleman proceeding for three additional minutes, but I think we should have in mind that if we are going to finish tonight we will not be able to take longer than the time provided under the rules of the House, and that hereafter objection should be made to any extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. SPENCE. As I understand the gentleman's amendment, it takes away from the President the discretion of continuing rent control. I am heartily in favor of that.

Mr. FLETCHER. I thank the gentleman very much.

Mr. SPENCE. I do not think we ought to pass the buck or pass the legislative responsibility to the President. I think we ought to assume that responsibility, and I shall vote for the amendment.

Mr. FLETCHER. I thank the gentleman. It will only become a political football in the 1948 elections. I have a feeling that this Congress has to stand up and be counted and stop passing the buck. I think we have got to have the

courage to set free the property owners of this country. Even if you are against this bill, I say if you want June 30 as the date and you propose to vote against the bill, I believe by all means that in the perfection of the bill we should pass the amendment which will definitely end and terminate rent control as of December 31, 1947.

The CHAIRMAN. The time of the gentleman from California [Mr. FLETCHER] has expired.

Mr. WOLCOTT. Mr. Chairman, I understand the Senate is sending over a message on the deficiency bill, and for that reason I move that the Committee do now rise. I think I should inform the Members that the Committee will resume its sitting immediately after the message is received.

I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H. R. 3203, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2849) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2157) entitled "An act to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes."

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2849. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

HOUSING AND RENT CONTROLS

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3203.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3203, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

Mr. MONRONEY. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from California [Mr. FLETCHER].

The Clerk read as follows:

Amendment offered by Mr. MONRONEY to the amendment offered by Mr. FLETCHER: Strike out "December 31, 1947," and insert "March 31, 1948."

Mr. MONRONEY. Mr. Chairman, I will take only a minute. I agree with the gentleman from California [Mr. FLETCHER] against the delegation of authority to the President, on his finding alone, to continue rent control.

I think the Republican Party is on solid ground against the designation of this legislative authority to the President in this case. But I want to call attention to the fact that you are going to take grave chances by discontinuing rent control abruptly on December 31 while the Congress is not in session and can do nothing about continuing it, even though they might find need for its continuance. My amendment merely tries to give us enough time after we return to resurvey the situation so that action can be taken by Congress, if needed. But to discontinue it on the 31st of December, when the Congress is not here—the Congress will not return until the 6th of January—and rent control has been dead for 6 or 7 days, you will create a chaotic situation. So I think at this time we should try to avoid that.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. RIZLEY. Of course, I agree with the gentleman to this extent—that the Congress should not be passing legislation back to the President of the United States, but the Congress will be in session on June 30 of this year.

Mr. MONRONEY. Yes; it will. That is true.

Mr. RIZLEY. Then, why not let this bill go along until June 30 and see what happens?

Mr. MONRONEY. I may say to my friend that our past policy of waiting on price control last year until June 30 gave us the highest level of consumer's prices in history.

Mr. OWENS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is quite odd that when the Clerk was reading the amendment offered by the gentleman from California I thought it was my amendment because it was the same, word for word. I therefore think it is a very important amendment. The reason I believe it is important is because I represent the largest district in the United States, with over a million people. There are more tenants in that district than in any other district in the United States, and I believe I can speak for a district which has a large number of renters. In other words, if there is any head being put on the political block I am placing mine on it right now because I truly believe that if I have to return to Congress because of an injustice to any segment of our population I would rather stay home, for I would not be at ease here at any time during the remainder of my term in Congress. When, however, my constituents write me—and they write by the thousands, I say by the thousands—concerning this matter, so much so that I virtually had to have a form letter printed, thousands of them, I reply promptly giving them my opinion. I sign each letter but in those letters I tell them that I believe that Congress, which was responsible for the condition which now exists, should give the people a reasonable time in which to release themselves from that position, and a reasonable time, of course, would not be 1 month and could not be 2 months; but I tell them that I believe that if we put an end to controls by not later than the end of the year the various States would have an ample opportunity to pass laws to take care of their local situations; and giving them that much advance notice we could not have anyone saying we turned any tenants out in the middle of winter. I would not be in accord with such action. From now until the end of the year every State ought to be able to take care of its local problems. I therefore believe that is the time we should fix as our limit.

With respect to the matter of the President, I believe, Mr. Chairman, that those who believe they are doing something clever politically may be in the same position Goliath was when he went out to meet David. I do not believe I need tell you what happened, but you may find that Goliath is going to meet a David again when you try to place that responsibility on the shoulders of the President. I think it is entirely wrong and I do not believe you should do that. I believe you should place the limit at December 31 and leave it there, without trying to shift your responsibility on the theory that Congress will not be in session.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield.

Mr. KEATING. At the risk of meeting the gentleman's Goliath, may I ask the gentleman if he does not feel that the factual situation in November or December of this year may be such that it would cause less hardship to end these controls at the end of March than at the end of December in the middle of winter?

Mr. OWENS. You are a part of the Goliath of which I spoke. I believe I have just answered your question by saying that the various States will have sufficient time to adjust their local situations. We are the Congress and we should act like a Congress, and stop delegating our legislation prerogatives to others.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the section under consideration is 204 (a). It reads:

The President shall designate the head of a department or agency of Government other than the Office of Price Administration or any other temporary agency.

Mr. Chairman, I submit that it is in evidence on all sides, it seems to be universally admitted, that the OPA, which had control of rent ceilings, was a colossal blunder and a maladministration from start to finish. I do not believe

there was any more obnoxious, unpopular bureau among all our many bad Federal bureaus, and yet Mrs. Roosevelt on April 30, 1946, in her syndicated column entitled "My Day" said:

It has been a long fight to place the economy of our country in the hands of the Government.

She censured all Members of Congress for criticizing Mr. Bowles, then Stabilization Director, and Mr. Porter, then OPA Administrator. She said that unless the people would come to the rescue of those bureaucrats the bureaucrats were likely to be defeated by the Representatives of the people in Congress.

Mr. Chairman, we have heard much said about changing this to another bureau or another administrator. In other words, just take the group because they are trained in this Gestapo method of administration and put them under some other head. A rose smells just as sweet by whatever name it is called.

I want to suggest to you that everyone admits the administration has been bad, yet all the indications are that we shall have the same group in control, that is, at our level, maybe not at the President's level. We have no confidence in the present group of personnel and the transfer will not help the situation.

The present law and this act is unfair, confiscatory, discriminatory, and is not in any sense an American approach to the problem.

We have no complaints, if you will notice, from towns and cities where they do not have rent control in force. Somebody said, "Well, that is because there is no congestion there." Think for yourselves. There is not a town or a city in the country to speak of where there is no rent control but what the occupancy is at a higher level and at a higher percentage than it is where you do have rent control. We do not have it on the farms and we do not have it in commercial buildings, and in industrial sections.

As the father of four sons and one son-in-law, all veterans of World War II, I think I know how the veteran feels.

I want to call your attention further to the fact that I have made a canvass of the veterans of World War II. I polled the adjutants and the commanders and the service officers of every post of the Veterans of Foreign Wars and the American Legion in my district, and they are against this. As an example of the views of many veterans of my district I quote the following letter which I just received from Mr. George J. Overmyer, commander of the Veterans of Foreign Wars of Tulsa Post, No. 577:

OVERMYER-PERRAM GLASS CO.,
Tulsa, Okla., April 28, 1947.

HON. GEORGE SCHWABE,
United States House Office Building, Washington, D. C

DEAR MR. SCHWABE: Why is it that one class of citizen is singled out for one of the worst cases of injustice and discrimination ever to be visited upon any group of citizens of any nation, including totalitarian ones.

I am referring to the continued imposition of rent control on a certain class only; and within a certain class, too. This rent control is the most vicious discrimination ever perpetrated. Only a portion of landlords are subject to rent control. Those whose money is invested in office buildings or commercial buildings (mostly big capitalists or insurance companies by the way), have no restrictions whatever upon their rental property. Other landlords whose residential rental property lies outside certain areas also have no restrictions whatever upon their property.

How do those advocates of rent control figure this can be constitutional when it is so flagrantly discriminatory, not only between landlords and other classes of citizens, but discriminatory as between different classes of landlords themselves? To say it is constitutional is rank hypocrisy. It denies that fundamental right of any American—"equal justice under law."

I notice that the House and Senate committees have both refused to permit or recommend a blanket raise in rents despite the fact that the second round of wage increases is now underway; and despite the fact Congress has seen fit to raise the salaries of Congressmen themselves. Every landlord under rent control has taken a big reduction in his rental income because the rent dollar he is now getting is worth only about 70 cents or less as compared with the dollar at the time he rented his property. Not only that but the situation is worsened because the cost of hiring plumbers is now almost twice what it was when he rented the property, also plasterers, and capenters, and painters. Other maintenance costs have gone up 60 percent.

Those whose life's savings is in residential property in rent control areas are getting the rawest deal ever handed out by any legislative body of any nation. The war is over, so why doesn't Congress please let up on those who sacrificed all during the war financially as compared with other groups, except servicemen? Now our tenants thumb their noses at us when we ask for possession of our property in order to place it in decent condition after their misuse; to try to sell it in order to put the sorely needed funds into a new business. I'm sure you will vote against extension of rent control because I know your aversion of these Government controls; therefore, I hope you will persuade others to vote against its extension.

Yours very truly,
GEORGE J. OVERMYER.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I do not know as we should be so greatly concerned about whether the President does or does not continue rent controls by Executive order beyond December 31. You are delegating to him the authority to terminate rent controls at any time he sees fit by Executive order. Now, we are just meeting a situation which might develop in the dead of next winter. He must make an affirmative finding if he continues rent controls, and must find the necessity for doing so. He must find, make a determination, and issue a proclamation which must be filed with the Secretary of the Senate and the Clerk of the House of Representatives giving his reason for finding that it is necessary for rent controls to be continued.

Now, you do not give him carte blanche authority to continue rent controls for an indefinite period of time. We put a limitation on here March 31, 1948. Why do we do that? Is the Congress going to be in session on December 31, 1947? I do not think we will be in session on December 31, 1947. I do have in mind that on December 31 of almost every year it gets mighty cold up here in the North, and people do not like to sit out on sidewalks because they have been evicted from their property. The Congress will not be in session to prevent that condition, and I do not want to take the responsibility for even one mother and a little baby sitting out on a snow bank after the 1st of January because nobody in the Government was given authority to adjust the situation which made it possible. Do you want to take the responsibility for that?

Now, if you want to do the job otherwise, if you have any qualms of conscience about giving the President authority to continue these controls for a matter of 90 days, then you should vote to continue controls until March 31, 1948. From the remarks made here by some Members you would think we were setting up a permanent agency for the permanent control of rents, but have in mind that this is just a temporary arrangement. If it has been other than temporary since 1942, it is because this Congress acted in the matter, and we can act again in the matter in any way we see fit. They say that we have no assurance that the controls will come off on March 31, 1948. Of course, we have no assurance that any of us are going to be here, but we do have assurance that if we are here under the rules of this House we can act to continue them or not just as we please. So, all of this talk about whether we have any assurance or not, whether controls are going to be continued, depends on the action which we ourselves take next year.

Now, I think in the interest of the public welfare we should either continue these controls until March 31 next year or we should give the President the authority to continue them on a finding of fact that it is necessary beyond December 31. That is the only sensible, humane way to act, and I think both of the amendments should be defeated and the bill left as it is as a happy compromise of a very difficult situation.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Oklahoma [Mr. MONRONEY] for the amendment offered by the gentleman from California [Mr. FLETCHER].

The amendment was rejected.

Mr. GWINN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Substitute amendment offered by the gentleman from New York, Mr. GWINN, to the amendment offered by the gentleman from California, Mr. FLETCHER: Page 15, line 8, strike out line 8 and all down to and including line 22 and insert in lieu thereof the words "The controls authorized under this title shall expire October 1, 1947."

Mr. GWINN of New York. Mr. Chairman, we are not going to cure this shortage of space until we begin to move. Our economy requires mobility. We have not

moved for 5 years. The people of this country now are just as anxious to move into other houses that are already built as they were to get rid of OPA in April last year. We Republicans did not take the lead then. We left it to the President, and he took the credit. We have a diamond-studded horseshoe here. The people want to move, not into new houses which they cannot build with the laboristic monopoly, but into some of the 38,000,000 houses we now have.

The people know that there are 800,000 houses surplus now lived in by one person. They know that the wife has died or the husband has died, and the survivor lives on there. Why? He cannot move. The people know, or should know, that we have 10,000,000 houses or living units that are occupied by two persons. That is a surplus of nearly 2,000,000 houses occupied by two persons. This means that the husband and wife, with the children gone to school or married, continue to live in their old houses. So we have a total of 2,800,000 old units available for those in need if we could only move. But we cannot move. The low-income group, the veterans, the young growing families could move into some of these old one- and two-tenant houses. These old tenants will normally move into rented rooms or smaller space. That is how freedom cures our ills. Control worsens every situation.

October 1 is the moving date for most people. We have new jobs but we cannot move. We have new employment in other places but we cannot move from where we are.

The other evil thing that is upon us is the cry from the people, especially the low-income group, saying, "Oh, godstate, you are managing our houses but we cannot move. Then, godstate, build us new houses." Build new houses, with the laboristic prices that are so high that half the families cannot even contemplate building new houses? Even if we have this rent control eliminated as of March 31 we cannot look to new houses for relief. We must look to the adjustments in the spaces we have.

Finally, while it is true that we have a shortage of houses, we have an increase per person of 9 percent in the rooms that we have. Instead of having 1.45 rooms per person, as we had in 1940, we now have 1.58 rooms per person. Let us make people free to adjust the space we have to their needs as a free economy alone can provide. We will move into the places we have as we move into old automobiles, waiting for the prices of the new ones to come down so we can buy them. Let us have the courage of our faith in freedom. The people want it. They are in rebellion against petty Government compulsions.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. GWINN] to the amendment offered by the gentleman from California [Mr. FLETCHER].

The question was taken; and on a division (demanded by Mr. GWINN of New York) there were—ayes 55, noes 114.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. FLETCHER].

The question was taken; and on a division (demanded by Mr. FLETCHER) there were—ayes 65, noes 90.

So the amendment was rejected.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 13, line 21, after word "title", strike out the remainder of the paragraph down to and including line 18 on page 14.

Mr. BUCHANAN. Mr. Chairman, this section referred to was offered originally and is included in the bill and has since been referred to as the hidden clause in title II which permits a voluntary arrangement between landlord and tenant for a 15-percent rent increase. May I quote from the minority report that once such a lease is entered into the housing accommodations covered by the lease are forever after decontrolled? This provision has a certain surface plausibility for it can be argued that tenants will benefit by exchanging fear of decontrol after December 31, 1947, or March 31, 1948, with resulting skyrocketing of rentals, for the certainty that they will have if they agree to this 15-percent increase in rent.

I think that this section is outright subterfuge, that it gives to the landlord a club over the tenant in that if he does not enter into this agreement, which is tantamount to a 15-percent across-the-board increase and that on and after December 31, 1947, you can vision what the situation will be so far as the relationship between landlord and tenant is concerned. It is either 15 percent now or any amount after that particular period. I think this is outright duress and coercion and is playing on the fears of the tenant. I think it should be stricken out. I ask you to support my amendment to strike it out.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. PATMAN. May I invite the gentleman's attention to the fact that on page 19 and page 20 under "Eviction of Tenants" you will find that the landlord can tell this tenant, "If you do not sign this lease for a 15-percent increase,"—the terms of the lease are not set forth here and the landlord will write the terms of the lease—he can remove the tenant and take the property for his own use; he can remove the tenant and sell the property, or he can remove him to alter or remodel the building. He can give any one of these reasons and he can tell the tenant, "If you do not give me a 15-percent increase I will have you removed for one of these purposes." The tenant would not have a chance. It means a 15-percent increase right straight across the board.

Mr. BUCHANAN. The gentleman is exactly correct.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MONRONEY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. This would not preclude an amendment to the original Fletcher amendment? This would mean that amendments could be offered to the original language in the bill? I mean the language in the bill which incorporated the Fletcher amendment. Only the Buchanan amendment will be affected by the request. Is that correct?

The CHAIRMAN. That is correct.

Mr. BRADLEY of California. Mr. Chairman, people from all parts of the United States come to California. I cannot say that I blame them, for—with due apologies to Florida—I believe California is the very best place in which to live.

A great many of those who come to California are people who have sold their farms or business and have a small amount of capital. They are older people. They put their funds into small homes for rental or into a four-apartment building—sometimes living in one unit and using the rents of the other three for enough income to get along in simple comfort. They join the former small property owners of the State. All of them are deserving of every consideration.

The small property landlord in southern California has had and is having a hard time of it. His every expense has gone up. His taxes have been increased.

Some of these landlords, even though they came to California with ample funds for their old age, are having a very difficult time to get enough income to keep their houses habitable and to live.

I have many letters from tenants who state that they are not paying enough rent to give their landlords a square deal. They ask a change of law so as to permit them to do so.

I want to protect the widow, the pensioner, the so-called little man, and I recognize the need of rent controls for some months more, but I do believe that when tenant and landlord agree on higher rates—up to 15 percent—they should be allowed to do so, and I cannot see how this program will break rent control in any way. To me, to give some relief to the little landlord seems only a decent thing to do.

Mr. FLETCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel there is probably no more simple part of this bill, no part more easily understood, nor more fair than this particular section. It simply

brings together the tenant and the landlord in a voluntary agreement. There is no compulsion. There may be some remodeling that has to be done, a room painted. What has happened in the past? Both the tenant and the landlord have been driven apart by rent control. For the first time we are offering them the American way of getting together. There is nothing about this that is compulsory. The gentleman from Pennsylvania [Mr. BUCHANAN] said it meant a 15-percent increase. It does not. I will tell you it is purely a matter of agreement between the landlord and the tenant. It may mean no rent increase. I can conceive of a case where by painting a room or two or redecorating an apartment, the owner could very possibly get the tenant to sign a lease until December 31, 1948, at a 15-percent increase; or it could mean a 5- or 10-percent increase. But that is the beautiful part of this amendment. There is no compulsion at any set percentage increase.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. JENSEN. Does not the gentleman agree that this country has come to a pretty pass if we have got to the place where two good Americans, an owner and a tenant, are forbidden to get together and arrange a mutual agreement which is satisfactory to both?

Mr. FLETCHER. I certainly do.

I would like to say further, the gentleman from Pennsylvania [Mr. BUCHANAN] made the statement that this means the decontrolling of this property.

I wish to read at this time a memorandum by assistant counsel, Allen H. Perley, relative to that particular matter, and read it into the RECORD:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE LEGISLATIVE COUNSEL,
Washington, D. C. May 1, 1947.

Memorandum for Mr. FLETCHER:

In response to your inquiry, regarding my opinion as to the effect of the last proviso to section 204 (b) of the bill H. R. 3203, I do not read it as providing for decontrol of housing accommodations except in the limited sense that it provides a method by which, through mutual agreement between a landlord and tenant, the maximum rent for particular accommodations may be increased to an amount not more than 15 percent above that which would otherwise apply.

In my opinion the maximum rent fixed by the lease becomes, for purposes of title II of the bill, the maximum rent for the housing accommodations, and will continue to be the maximum rent for such accommodations during the life of rent control, even if there is a change of tenancy.

Also, as I read the proviso, it does not prevent the prohibition and enforcement provisions of title II from operating in the case of the particular housing accommodations where the maximum rent fixed by the lease is not observed.

ALLEN H. PERLEY,
Assistant Counsel.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. BREHM. This may be a minor point, but I have had letters from 12 tenants who state that they would like to pay more rent because they realize that the landlord is not receiving sufficient money for his property, and asking that this provision be put in some control bill.

Mr. FLETCHER. I thank the gentleman for that contribution. I have had dozens and dozens of letters from tenants and landlords after they saw this proviso stating that they felt it was the only basis on which they could get together.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentleman from New York [Mr. BUCK] is recognized for 5 minutes.

Mr. BUCK. Mr. Chairman, I have an identical amendment at the Clerk's desk. I therefore rise in support of the Buchanan amendment.

Mr. Chairman, make no mistake about it, unless the Buchanan amendment is adopted rentals in the city of New York and in every other city of America where a housing shortage exists will increase by 15 percent within a month after the President signs this bill.

I, of course, am speaking for the city of New York which embraces some 8,000,000 people and which has the largest concentration of people who rent their homes of any city in the country. Due to our land values and to the nature of our housing it is simply impossible for housing to catch up with demand before December 31, 1948. There is serious housing shortage in the city today. I had a letter only recently from a man who spent 2½ years in a Japanese prison camp, who married following his discharge, whose wife is expecting a baby in the near future and who has been unable to find any housing on Staten Island or in nearby Manhattan despite a 6 months' search.

To say that this 15-percent increase is voluntary is a ghastly joke. Where there are no surplus housing accommodations available the landlord will say to the tenant: "I want you to sign this lease or else"; and the tenant, unwilling to face the certainty of ouster by December 31, 1948, will take pen in hand and sign the lease with the 15-percent increase. Thereby inflation is served.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I prefer to continue my statement.

Some say that this provision in the bill is a cushion against still greater rent rises with the expiration of rent control. I say that the means by which that should be met would be for the States to enact rent-control laws similar to those of the State of New York. Speaking again from the standpoint of New York, it would be far better for Federal rent control to end immediately, thus permitting the State law to take over, than to subject New Yorkers to the 15-percent increase enacted into law by this bill.

I urge all who want to prevent rents from increasing 15 percent to vote in favor of the Buchanan amendment.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Texas.

Mr. PATMAN. May I invite the gentleman's attention to the fact that the landlord will be in a perfect bargaining position because he can tell the tenant: If he does not sign, why, first, he will use the place for himself, he wants it for his own use; second, or that he has a purchaser and wants the property for that reason; or third, he wants to alter or repair the building. He has a number of different reasons either of which he can use to force the tenant into signing the lease.

Mr. BUCK. There is no bargaining whatever. The landlord is absolutely in the driver's seat. In every city the landlord will get his 15-percent increase.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman will agree that this increase will in effect be a straight-across-the-board increase?

Mr. BUCK. It will be an across-the-board increase in every city where a housing shortage exists.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. BUCHANAN].

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—ayes 49, noes 127.

So the amendment was rejected.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 14, line 13, after the period, strike out the balance of line 13 and all of lines 14 to 18 and insert: "Housing accommodations for which a maximum rent is established by a lease, pursuant to the provisions of this proviso, shall be subject to former maximum rent ceiling rates in case of premature termination of such lease, or may be re-leased under the limitations of this proviso, upon mutual agreement of landlord and tenant, at a rate not in excess of the maximum rent which could have been provided for by the original lease made under this proviso."

Mr. MONRONEY. Mr. Chairman, this is an attempt to clarify what has proven to be quite a misunderstanding as to how the so-called Fletcher 15-percent lease provision will work. Many authorities who have studied this bill claim that once the 15-percent lease is entered into that house is then forever decontrolled.

In an effort to avoid evasion of the idea of this 15-percent lease agreement by phony lease arrangements, thereby decontrolling that property or that apartment forever, this proviso merely spells out that if the lease does not run to its termination or as long as rent control is in effect, that if the lease is voided by mutual agreement of landlord and tenant, the property goes back to its previous ceiling, or, if the landlord and tenant wish to sign up a new lease, then it is at the 15-percent provision above the former original ceiling.

I would like to say that I cannot agree with many of my friends who have severely condemned the lease provision. I think that it is an effort to begin the renegotiations between landlord and tenant; that it will not provide a blanket 15-percent increase across the board, but

will only provide for an increase where a tenant wishes to agree with his landlord for a 15-percent increase in exchange for security after the end of price control.

I think there are benefits that flow both ways, and I do not think you have to regard the landlord and tenant as mortal enemies and that the Government must always stand between them. I think they should be permitted to bargain on a lease arrangement.

But I do want to make it crystal clear that if you provide for this 15-percent increase that landlords not be permitted to make a lease and then void it to take their house out from under control of all rentals.

I would like to see if the majority members of the committee would accept this provision, to clarify the section against such evasion.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from California.

Mr. FLETCHER. In effect what the amendment does, when you have negotiated a 15-percent lease on a voluntary basis, mutually between landlord and tenant, and if that lease for some reason or other is disturbed, it takes the property back to the rent ceiling it had prior to the increase of 5, 10, and 15 percent, or whatever it was.

My point is this, that where a property has met the test of landlord and tenant, where two people have in an honorable way gotten together that this property is worth so much in its present condition I do not see any reason why the property should then revert back to its former natural rent because, after all, it may be that the apartment needed painting, the apartment needed remodeling, and that was the consideration for the increase in the rent.

Mr. MONRONEY. I think the gentleman then admits that the house will be out from under future rent control. What I am trying to do is to see it revert to its original ceiling, or if a tenant is willing to sign a new lease, then he pays only the 15 percent from the original ceiling again. I think the Fletcher provision distinctly needs this help to make it fair and to prevent evasion through phony lease arrangements.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The amendment was rejected.

Mr. REDDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REDDEN: On page 15, line 22, after the period, insert "Provided the governing body of any county, city, or town may in their discretion terminate rent control earlier by a finding that the necessity therefor no longer exists."

Mr. REDDEN Mr. Chairman and gentlemen of the Committee, this amendment does one thing. It takes the right of rent control or the privilege of rent control back to the people of the municipalities affected thereby; in other words, they are the people that ought to know more about it than anybody who might be attempting to administer it in Washington. They are the people who govern your city or your county and they are the people who ought to have the knowledge of conditions existing with respect to the necessity for rent control.

If this amendment is passed, the governing body can find as a fact that whatever conditions did exist necessitating rent control no longer exist, and therefore terminate rent control earlier than March 31, 1948. I think that is where it ought to be. I ask you to support this amendment and let the governing authorities, the municipalities, say when rent control ought to terminate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. REDDEN].

The question was taken; and on a division (demanded by Mr. REDDEN) there were—ayes 73, noes 85.

Mr. REDDEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. REDDEN.

The Committee again divided; and the tellers reported that there were—ayes 129, noes 84.

So the amendment was agreed to.

Mr. DONDERO. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: On page 13, line 16, after the colon insert "*Provided, however,* That an increase of 10 percent on existing rent is hereby authorized on all residential buildings consisting of 10 dwelling units or less, exclusive of janitor or management space."

Mr. DONDERO. Mr. Chairman, I do not intend to take the 5 minutes because I explained this amendment a short while ago and I think it speaks for itself. I make no pretense in saying to the Committee that 10 percent in no way equalizes the disparity now existing between the income of property and the expense of maintaining property. The amendment is offered to bring some relief to small property owners. You will notice it is limited to 10 residential units or less. That includes the income bungalow or the income type of property of one, two, or three dwelling units, but not exceeding 10. I cannot possibly foresee anybody objecting to this amendment when it is admitted on this floor that the maintenance of property has increased about 80 percent since rent control was established. How can anybody object to partial relief extended to small property owners to help them preserve their life savings and safeguard their modest income?

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. HARNESS of Indiana. I wonder, if this amendment is adopted, if the Administrator would say in all of these cases of inequities, that this is the maximum; that Congress has fixed a maximum of 10 percent, and no more will be granted. The gentleman knows as well as I do that there are many cases where 10 percent will not meet the disparity. Let me give you one example. In a town in my district the taxes alone between 1946 and 1947 have increased 40 percent. Take a property with an assessed value of $5,000, rented at $30 a month. The tax increase alone on that property is $8 a month this year. Ten percent would not help him very much.

Mr. DONDERO. I admit that, yet I am trying to bring some relief to a segment of our people who have been penalized for being thrifty and self-sustaining. I hope this amendment will be adopted. I have stated before today that taxes throughout the Nation have increased nearly 40 percent since rent control was established. How can anybody deny to these people at least partial justice and equity?

Mr. HARNESS of Indiana. Will the gentleman yield further?

Mr. DONDERO. Yes: I yield.

Mr. HARNESS of Indiana. I would gladly support the amendment. It gives them a little something, but I am afraid it will mean a freezing of all increases, regardless of the inequities involved.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. GAMBLE. Has the gentleman any idea how many housing units this would affect? Has the gentleman any figures on that, as to the number of housing units that will be affected throughout the country?

Mr. DONDERO. No, I have not. I am trying to provide some relief to small property owners by giving them at least 10 percent.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. BROWN of Georgia. I desire to say to the gentleman that those witnesses who appeared before the committee said we should show some consideration to this class of people, and they all ask for a 10-percent raise. They say, just like the gentleman from Michigan has stated, that that is not enough, but certainly if we are going to take off the ceiling on everything else, we ought to show some consideration to the little man. They all say this will be just a gesture, but we ought to do something for them.

Mr. DONDERO. It is only a small gesture.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DONDERO] has expired.

Mr. BUFFETT. Mr. Chairman, I rise in support of the amendment. I ask unanimous consent to revise my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Chairman, this amendment attempts to remedy some of the obvious injustices of a legislative and economic maverick. A 10-percent blanket increase has inequities, but it does represent a measure of justice to the people who have their savings in rental property.

There has been some loose talk about intellectual honesty on this bill. In the last 4 years we, as Members of Congress, have raised our pay 50 percent presumably because of increased costs.

If there is someone who can explain to me how we can raise our own pay 50 percent, and yet say to the people who have their savings in property in this country, "You are entitled to no relief because of increased costs," I hope they will come around to me after this session and explain it carefully, because I am afraid I will have a hard time understanding that kind of acrobatics.

We had a great many witnesses before the committee. Perhaps the most valuable testimony we had was from the American Legion housing committee.

An American Legion housing committee went all over America studying this problem. They came before us and favored a 10-percent across-the-board increase on rents. Thus the American Legion went on record for a 10-percent blanket increase.

Let me show you the socialistic aspect of this situation in the minute or so I have remaining. Over in Europe Communists come up to a little fellow who has invested his savings in a cow. They take his cow and may give him some kind of phony money, but they take his cow. They lead it away and his investment is gone. In this country under rent control the Government of the United States is saying by its actions to the small property owner, the frugal person who has put his life savings in a rental house, "We will not confiscate your property outright. We will but take it away from you over a period of years by fixing rents under which you will lose your investment." That moves toward communism by the silk-glove route, with drawing-room finesse. It certainly has no place in a Congress that wants to give a square deal to the frugal people who have placed their savings in rental properties.

I hope this amendment, a gesture of fairness to property investors, is passed.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. BUCK] is recognized for 3 minutes.

Mr. BUCK. Mr. Chairman, I oppose this amendment on two grounds: No. 1, it is inflationary; we are deliberately implementing the upward spiral of the cost of living. No. 2, I do not feel that landlords generally have been doing so badly. They no longer have the vacancy problem for which they normally allow 10 percent of their gross. Again, interest rates have come down substantially in the last dozen years and property can be carried for very much less than formerly. Furthermore, the bill already provides that in the event of inequity the Administrator shall make appropriate adjustments.

I feel that it is not a proper function of this Congress to contribute to the inflationary spiral by direct action.

I hope the amendment will be defeated.

The CHAIRMAN. The gentleman from Georgia [Mr. BROWN] is recognized for 3 minutes.

Mr. BROWN of Georgia. Mr. Chairman, what we want to do is to give justice to all groups. We have seen now the placing in this bill of a provision that those who build new houses from now on will not have any ceilings, nor will those who refused to give shelter in 1945 or 1946; nor is there any limit on ceilings to those who are able to increase the accommodation of the present building by erecting a little partition and making one more room. All these people are out from under the ceiling, and the sky is the limit.

In addition to that we have all the hotels now out from under ceilings. Furthermore on a lot of apartment houses there will be no ceilings under this provision, those housing accommodations in any establishment which is commonly known as a hotel in the community in which it is located which are occupied by persons who are provided customary hotel service such as maid service, furnishing linen, and so forth, telephone and desk service, will be exempted. Therefore it will leave a little helpless group for which we have done nothing.

This 15-percent amendment on which the landlord and tenant are supposed to agree will not be workable. They will never agree and you know it as well as I do. A 10-percent across-the-board raise means something to that group of people, confined principally to the little fellow, not benefited by the bill. Certainly we want to make some gesture to this class. Practically all the witnesses who testified said that the increase in the cost of living, in taxes, and on building materials for repairs had gone up so much since the freeze date that certainly some raise should be given to these people who have practically nothing except a small home to rent. In view of the fact that almost half of the population will not be under a ceiling, it is nothing but fair that we should raise the rent for the small fellow to help defray a part of this increased cost since the freeze date.

The amendment offered by the gentleman from Michigan should be adopted in order to give justice to a class of people, many of whom are receiving barely enough to repair their homes and pay the taxes imposed on them.

Mr. Chairman, I hope the pending amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, the amendment very obviously should be defeated. A long time ago when we were considering this matter and milling over the relief which might be given landlords, it was suggested that we increase the rates horizontally 10 percent. This appealed to some Members until we found that we would have to at least date the base period back to the time when rent controls were put on to make it at all equitable, because in many of these apartments adjustments have already been made. In units of 10 or less many have gotten adjustments, the same kind of adjustments which you seek to make here in order to correct an inequity.

The thing you have to be careful of is that you do not create just as many hardships by this amendment as you seek to correct and if you do create a hardship by this amendment what machinery is there in the law for the expeditious review of a petition on the part of a tenant for relief of this hardship? None whatsoever. He cannot sue the landlord and he cannot sue the Government. There is no machinery set up for the alleviation of those hardships, so you cannot do this equitably and fairly unless you set up some machinery for the expeditious relief of the hardships which might be created by it.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. DONDERO. What assurance have the people of this country that they will get any equitable adjustment?

Mr. WOLCOTT. May I say to the gentleman that all of the deficiencies in this law are administrative, not legislative. This Congress cannot administer the law. Under the system of government we have, the Executive has the responsibility of administering the law in accordance with the intent of the Congress. We say in this declaration of intent that hardship cases shall be corrected. We cannot administer the law. We have no way of knowing whether 10 percent is going to create more hardships than it seeks to correct. The gentleman cannot give me any figures on the number that will be affected by this, either on the negative or positive side.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 104, noes 127.

Mr. DONDERO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. DONDERO.

The Committee again divided; and the tellers reported that there were—ayes 119, noes 135.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 14, line 11, after the semicolon, strike out the balance of the paragraph and insert the following: "*And provided further*, That such leases under this section shall apply to a maximum of four rental units owned by any landlord."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Mr. Chairman, I wonder if we cannot agree upon a limitation of debate on all the remaining amendments. I understand there are eight of them. I also understand that most of the controversial amendments have been disposed of. For that reason, Mr. Chairman, I ask unanimous consent

that the balance of the bill be considered as read and that all debate on the bill and all amendments thereto close in 30 minutes.

Mr. BUSBEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUSBEY. How many amendments are on the Clerk's desk?

The CHAIRMAN. Eleven altogether. Some of these amendments may be similar to others, and the Chair cannot tell how many other amendments will be offered.

Mr. BUSBEY. I hate to object to a request of the chairman of the committee, but I know there is one very important amendment on the desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr BUSBEY. I object, Mr. Chairman.

Mr. WOLCOTT. Mr. Chairman, I move that the balance of the bill be considered as read and that all debate on the bill and all amendments thereto close at 6:45.

Mr. RANKIN. Mr. Chairman, I make the point of order that it is not in order to move to dispense with the reading of the bill. If it cannot be done by unanimous consent, it cannot be done at all. It is not in order to move to dispense with the reading of the bill.

The CHAIRMAN. Does the gentleman from Mississippi insist on the point of order?

Mr. RANKIN. I do, Mr. Chairman.

The CHAIRMAN. The point of order is sustained.

Mr. WOLCOTT. Mr. Chairman, I move that debate on the bill and all amendments thereto close at 6:45 p. m.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan [Mr. WOLCOTT].

The motion was agreed to.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as having been read.

Mr. RANKIN. Mr. Chairman, I make the point of order that the bill must be read. Somebody must know what is in it.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as having been read.

Mr. RANKIN. Mr. Chairman, I make the point of order that the request is not in order, and I object.

The CHAIRMAN. Objection is heard.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that notwithstanding the time that has just been taken out of my 5 minutes I may have 5 minutes in the event that I need it.

Mr. WOLCOTT. Of course, the gentleman from California [Mr. HOLIFIELD] understands that it was not my purpose to take the gentleman off his feet.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I realize it is getting late. I will try not to take too much time.

I have offered this amendment to strike out from line 11, the balance of the section at the top of page 14. This amendment accomplishes the following purpose.

It insures that the 15-percent rent raise to the landlord from the original signer of the lease will be guaranteed. It also provides that the property shall not be rented for more than 15 percent above the present rate for the duration of rent control. That is the first purpose which it is designed to accomplish. It applies to the landlord holding up to four rental units and allows him to obtain this 15 percent which is already provided for in the bill. We have heard a great deal of talk on the floor about the small landlord. This is your opportunity to help the small landlord who depends on his rent to take care of his livelihood. It assures that the small landlord owning up to four units of rental property will be allowed to have the 15-percent raise. In the name of the small landlord, I appeal to you to support this amendment.

Mr. OWENS. You are to be complimented on this amendment because this strikes at the crux of the whole problem. Those are the people who have suffered the greatest.

Mr. HOLIFIELD. I thank the gentleman. The people who really need the help, and I agree that a great many of them do need help, are the small people who have labored a lifetime to acquire three or four pieces of rental property and who are depending upon this income to pay their grocery bill and other expenses. Those are the people who are more entitled to the raise than anybody.

The language which I have asked to be inserted in the bill guarantees the small landlord that he will get his 15-percent raise. That applies to the landlords who own four rental units.

The amendments offered by the gentleman from Michigan [Mr. DONDERO] applied to 10 units and gave them a 10-percent raise. This provides a guarantee of a 15-percent raise and applies to landlords owning four units or less. It protects the public against over-all raises by the mass rental agencies who have hundreds of rental units.

This is an attempt to improve a bill which I fear cannot be made workable.

Unless clarifying amendments are adopted, I shall vote to recommit this legislative monstrosity.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 64, noes 86.

Mr. HOLIFIELD. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. RIVERS. Mr. Chairman, a preferential motion.

The CHAIRMAN. The gentleman will state the motion.

Mr. RIVERS. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. RIVERS) there were—ayes 45, noes 131.

So the motion was rejected.

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: On page 13, line 16, just before the colon insert a comma and the words, "except that where the real-estate taxes levied against such housing accommodations have been increased since such maximum rent was established or are increased during the effective period of this title, the maximum rent shall be subject to an automatic upward adjustment by the landlord not in excess of the amount necessary to offset such tax increase for the future period covered thereby."

Mr. COLE of Kansas. Mr. Chairman, I shall not take much of the time of the committee, but I believe this is an amendment which can be accepted.

Not long ago the committee declined to accept an amendment offered by the gentleman from Michigan [Mr. DONDERO], because there was some question that perhaps a 10-percent straight across-the-board raise in rentals might freeze rentals. The amendment which I have offered provides that if there has been a raise in the levy of real-estate taxes since the maximum rental was fixed, the landlord may, in his discretion, raise the rent by an automatic upward adjustment not in excess of the amount necessary to offset such tax increase.

Mr. Chairman, I know that this particular raise on the part of the landlord is one that is just, that it is fair, that it cannot be considered to allow some increase in fraud, but one which every landlord is entitled to if he has had an increase of his taxes.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. BATES of Massachusetts. I believe the gentleman has a good amendment. If we had better administration of the rent-control law that would take advantage of the opportunities in the present law where we could recognize these hardship cases then we would not have all this turmoil on the floor of the House today.

In the State of Massachusetts this year some of the tax rates are going up as high as $10 on a thousand, or an increase of 20 to 30 percent. If, as I say, the administrators under the present law would recognize those hardship cases there would not be this turmoil on the floor of the House today.

Mr. COLE of Kansas. The gentleman is absolutely correct.

I wish to say to the Committee that from a survey recently made in 70 groups from 59 cities embracing 24 States it shows that taxation on the buildings covered by the study have increased a minimum of 20 percent since the institution of rent control. The increase has been 50 percent in some of the cities. The highest increase reported in any of the cities was 116 percent.

This is the increase which the gentleman said a moment ago should have been permitted if the administration of this law had been properly carried out, but which has not been allowed in the past. If this is permitted the rent increase allowed the landlords will not be 10 percent, or 15 percent, or 20 percent,

it will be the fixed amount by which his tax levy has been increased, a basic substantial figure to which no one can object.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. POULSON. Does not the gentleman think that is one reason why we should turn it back to the municipalities or those agencies which are raising the taxes, for instance?

Mr. COLE of Kansas. I do not quite agree that we should turn it back to the municipalities.

Mr. POULSON. They are the ones who raised the taxes.

Mr. COLE of Kansas. I believe that would cause more trouble than the gentleman might think. Nevertheless, I believe this particular amendment is a good one. I therefore hope the Committee will adopt it.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. KLEIN. I understand that all debate on the bill closes at 6:45. There are about 10 amendments at the desk. Has there been any agreement or arrangement as to the division of the time amongst those who have amendments to offer?

The CHAIRMAN. There is no arrangement whatever as to dividing the time.

Mr. KLEIN. What happens to those who have amendments pending but no chance to argue them?

The CHAIRMAN. Those who offer any amendment after 6:45 will not have an opportunity to debate the amendment but the amendment will be voted on.

Mr. EBERHARTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EBERHARTER. Is it not the practice for the Chair to recognize only those who have amendments at the desk rather than those who do not have amendments?

The CHAIRMAN. That is what the Chair expects to do, but it is not the province of the Chair to be arbitrary.

Mrs. DOUGLAS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Mrs. DOUGLAS. Mr. Chairman, I have an amendment at the desk. The chairman of the committee stated that he thought all controversial amendments had been disposed of. I do not consider my amendment free from controversy. I would like to have 1 or 2 minutes to discuss my amendment.

The CHAIRMAN. The Chair may state that the Chair understands the gentlewoman's amendment applies to striking out the whole title and that would properly come after the bill had been read. A request to dispense with further reading of the bill was dispensed with so the bill must be read. This being the case the gentlewoman's amendment could not be in order until after the bill is read.

Mr. BATES of Massachusetts. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kansas [Mr. COLE] because I believe the time has come when hardship cases ought to be given some recognition. The great difficulty up to the present time is that we have, for the most part, political boards determining questions involving the flexible provisions of the law. These cases involving hardship should be determined and given consideration.

Mr. Chairman, under the present law there are flexible provisions that permit the administrators of the law to recognize hardship cases where there are unusual expenses involved in the administration of the property. In the bill we are today considering there is provision also for adjustments in maximum rents which can be made where it is necessary to correct inequities. May I ask the chairman of the Committee on Banking and Currency this question: In view of the fact that we have substantial increases in tax rates and the tax bills all over the country and in every community, whether or not in his opinion in the administration of the law as now proposed by the committee these excessive increases in tax rates and the tax bill can be considered inequities? I would like to ask the gentleman, What is his interpretation of the bill and those provisions?

Mr. WOLCOTT. If the gentleman had asked me if I thought an inequity would be created under those circumstances I would answer in the affirmative, because I have already stated that I thought where the income from the rented property is not sufficient to reflect the cost of maintaining the property, plus a reasonable return on the investment, an inequity existed and should be corrected.

Mr. BATES of Massachusetts. Unfortunately, in the administration of the act up to the present time those principles have not been recognized.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all those having amendments at the Clerk's desk may be recognized for 2 minutes and that those in opposition to the several amendments may be recognized for 2 minutes within the time previously agreed upon.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE].

The amendment was rejected.

Mr. ROONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: On page 14, after line 18, add a new section to read as follows:

"In view of the desperate housing situation the American people deserve our sympathy."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ROONEY].

The amendment was rejected.

Mrs. DOUGLAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. DOUGLAS: On page 9, line 19, strike out all of title II and insert:

"*Be it enacted, etc.,* That the provisions of the Emergency Price Control Act of 1942, as amended, and all regulations, orders, and requirements thereunder, insofar as rents are concerned, shall be continued until June 30, 1948.

"No general increase in rents shall be granted under authority of that act except as may be required under the provisions of section 2 (b) thereof."

Mrs. DOUGLAS. Mr. Chairman and Members of the Committee, I have asked to strike out all of title II and to put in its place an amendment to continue the control of rents, as we have them now, for another year. In the face of the rising cost of living and in the face of the most acute housing shortage in the history of our country, to do away with rent controls, as this bill proposed even before it was amended, is to invite the American people to the dizzy waltz of inflation.

The distinguished chairman of the Committee on Banking and Currency said that he did not want to be responsible for one picture appearing in one paper of a mother with her little child in her arms sitting in the street—evicted from her home—with nowhere to go. I say that this bill, if passed, guarantees that there will be thousands of mothers in the streets—evicted from their living quarters—with their children in their arms—and with nowhere to go.

This bill legalizes blackjacking; this bill legalizes the use of fear to obtain higher rents; this bill legalizes decontrols; this bill guarantees that rents will skyrocket; this bill guarantees that there will be no rent control. This program legalizes evictions.

We either believe we need rent controls or we do not. We should stand up and be counted.

We are concerned over the rising cost of living or we are not. We should stand up and be counted.

I hope that this House will vote for my amendment.

I hope that this House will vote for the millions of men, women, and children who need their protection today.

The CHAIRMAN The question is on the amendment offered by the gentlewoman from California.

The question was taken; and on a division (demanded by Mrs. DOUGLAS) there were—ayes 52, noes 195.

So the amendment was rejected.

Mr. MACKINNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACKINNON: On page 20, line 13, after the comma strike out "and" and insert "that the altering or remodeling is reasonably necessary to protect and conserve the housing accommodations and cannot practicably be done with the tenant in occupancy, and that the landlord."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Although I think the gentleman's amendment goes to the good faith of the transaction and that it is covered in the first sentence, I do think perhaps the gentleman spells it out a little more completely. As far as I am concerned, the language is entirely satisfactory.

Mr. MACKINNON. I thank the gentleman. I am glad to have the gentleman's statement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MACKINNON].

The amendment was agreed to.

Mr. VAIL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAIL:

On page 13, line 16, after the colon, insert the following: "*Provided*, That the head of the department or agency designated pursuant to subsection (a) shall authorize an increase of 10 percent, effective on and after the effective date of this title, in the maximum rent in effect on that date for all controlled housing accommodations in all defense rental areas."

And strike out the second proviso of section 204 (b) beginning on page 13, line 21, after the colon through page 14, line 18, and change the colon to a period on page 13, line 21.

Mr. VAIL. Mr. Chairman, this amendment affords a measure of relief from the punitive provisions of the Emergency Price Control Act of 1942 in their application to investors providing housing to others who by choice or necessity elect to rent rather than to own. This amendment is also intended as a substitute for the provision for 15 percent maximum increase by agreement between landlord and tenant, which can only serve to accentuate inequities if successful and create rancor and resentment if unsuccessful.

When the Government arbitrarily established in 1942 a ceiling on existing rents, it also assumed the implied obligation to protect the investor in housing facilities from losses through mounting costs. Either costs should have been frozen or normal net earnings assured through subsidy, but no such provision was made and no action for relief has been taken, and through the years 1942, 1943, 1944, 1945, 1946, and thus far in 1947 each succeeding year has brought with it increased costs and added hardship to investors in a vital public service.

News of the failure of the committee to provide adequate consideration in the reported bill for relief of the situation came to me, and I believe to you as well, as a severe shock. It seems to me that the issue here is more far-reaching than the proposed amendment itself. We, of the Congress, are on trial to determine whether we are legislating for right and for equity or if we intend to follow the philosophy of subordinating those factors to political expediency—to the sacrifice of fairness to minorities in the quest for votes from large numerical groups.

No other minority group providing a vital service to the public has been so punished. Through sharp wage and material increases already low net rental incomes of 1942 have been in effect confiscated by Government decree to a point where extension of normal services to tenants is jeopardized. Through the war years and up to the present time labor and materials have not been available and properties could not be maintained by normal repairs. Investors are now faced by major cumulative repair cost without income from which they may be met. The landlord has borne the burden of sacrifice long enough—he is entitled to relief now—not sometime in the indefinite future. The 10-percent across-the-board increase in rents can only serve to alleviate, not cure completely, a distressing and discriminatory condition. It must be remembered that the landlord's dollar, too, buys less today than in 1942.

Not only do the landlords appeal to you for justice and fair play, but the right-thinking tenants of the country—and they are the majority—support their plea in the knowledge that the cause is just. The House has achieved a splendid record to this date and it is my hope that its action upon this amendment will be such as to fully establish the confidence of the American public in its intent to hew firmly to the cause of justice let the chips fall where they may.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. VAIL].

The amendment was rejected.

Mr. HARDY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 14, line 18, insert the following: "This proviso shall not apply with respect to housing accommodations constructed with priority ratings or under specific authorization from the United States or any agency thereof for which the rent has been approved by the United States or any agency thereof in connection with the granting of such priority rating or such authorization."

Mr. HARDY. Mr. Chairman, since I am not too concerned about getting a statement in the RECORD for home consumption, I do not think I will even use all of my 2 minutes. I do want to explain, however, just what this amendment is proposed to do. Its purpose is to prevent the accentuation of certain flagrant inequities that now exist.

I do not know whether in your districts you have the same situation that I have. But during the war we had a great many defense rental housing projects constructed. The rents for those projects were not fixed by the Office of Price Administration, but they were fixed by the agency which granted the priority which enabled them to construct those projects. In every case the rents in those projects are far in excess of rents for comparable properties owned by private individuals locally and which properties were constructed prior to the beginning of the war. There is no justice in a man having property on one side of the street getting twice as much rent as a man with comparable property on the other side of the street.

I hope the Committee will approve this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

The question was taken; and on a division (demanded by Mr. HARDY) there were—ayes 53, noes 121.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JAVITS:

On page 20, line 20, at the end of section 209, insert "*Provided, however*, That any court of competent jurisdiction may stay any proceeding or action by virtue of paragraphs 2, 3, or 4 of this section, or any order, judgment, or decree of eviction issued therein for a period of not to exceed 6 months if the tenant for good cause shown is unable to vacate such controlled housing accommodation."

Mr. JAVITS. Mr. Chairman, my amendment gives the courts power to stay eviction in a case in which eviction is permitted under this act for acts that the tenant has nothing to do with; that is, in the case where a landlord seeks the tenant's premises because he has sold the building or because he wants to move into it himself or because he wants to remodel it. My amendment gives the tenant enough time to find new quarters in those circumstances and does not leave it to State laws alone. The figures show that an enormous shift has taken place in the country from rental to ownership occupancy. The shift is from 41 percent owner occupied in 1940 to 51 percent owner occupied in 1946 of the aggregate number of rental units in the country and shows that this amendment is essential. As you are going to stop a galloping inflation by keeping a roof on rentals without an across-the-board increase, you should also take this additional precaution regarding repossession of premises in the event of sales or for personal occupancy of the landlord, and give the tenant added protection in those cases. I believe the courts of New York will do their best in such cases, but it is a very useful safeguard to have it in the bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 16, noes 136.

So the amendment was rejected.

The CHAIRMAN. All time for debate has expired.

Are there any further amendments to section 204? If not, the Clerk will read.

The Clerk read as follows:

RECOVERY OF DAMAGES BY TENANTS

SEC. 205. Any person who demands, accepts, or receives any payment of ent in excess of the maximum rent prescribed under section 204 (b) shall be liable to the person from whom he demands, accepts, or receives such payment, for reasonable attorney's fees and costs as determined by the court, plus liquidated damages in the amount of (1) $50, or (2) three times the amount by which the payment or payments demanded, accepted, or received exceed the maximum rent which could lawfully be demanded, accepted, or received, whichever in either case may be the greater amount: *Provided*, That the amount of such liquidated damages shall

be the amount of the overcharge or overcharges if the defendant proves that the violation was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within 1 year after the date of such violation. For the purpose of determining the amount of liquidated damages to be awarded to the plaintiff in action brought under this section, all violations alleged in such action which were committed by the defendant with respect to the plaintiff prior to the bringing of action shall be deemed to constitute one violation, and the amount demanded, accepted, or received in connection with such one violation shall be deemed to be the aggregate amount demanded, accepted, or received in connection with all violations. A judgment in an action under this section shall be a bar to a recovery under this section in any other action against the same defendant on account of any violation with respect to the same plaintiff prior to the institution of the action in which such judgment was rendered.

PROHIBITION AND ENFORCEMENT

SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 (b).

(b) Whenever in the judgment of the head of the department or agency designated pursuant to section 204 (a) any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of subsection (a) of this section, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such subsection, and upon a showing by the head of such department or agency that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

MAINTENANCE OF ACTIONS FOR CERTAIN ALLEGED PAST VIOLATIONS

SEC. 207. No action or proceeding, involving any alleged violation of Maximum Price Regulation No. 188, issued under the Emergency Price Control Act of 1942, as amended, shall be maintained in any court, or judgment thereon executed or otherwise proceeded on, if a court of competent jurisdiction has found, or by opinion has declared, that the person alleged to have committed such violation acted in good faith and that application to such person of the "actual delivery" provisions of such regulation would result or has resulted in extreme hardship.

TRANSFER OF PROPERTY AND PERSONNEL

SEC. 208. (a) There are hereby transferred to the head of the department or agency designated pursuant to section 204 (a), (1) all records, property, or other data of the Office of Price Administration and/or the Office of Temporary Controls used or held in connection with the establishment and maintenance of maximum rents; (2) so much of the unexpended balances of appropriations, allocations, or other funds available for use by the Office of Temporary Controls in the establishment and maintenance of rents as the Director of the Budget shall determine; and (3) such of the personnel employed by the Office of Temporary Controls in connection with the establishment or maintenance of maximum rents as the head of the department or agency designated pursuant to section 204 (a), subject to the approval of the Director of the Budget, certifies are needed in connection with the administration of this title.

(b) There are authorized to be appropriated to the department or agency designated pursuant to section 204 (a) such sums as may be necessary to carry out the provisions of this title.

EVICTION OF TENANTS

SEC. 209. No action or proceeding to recover possession of any controlled housing accommodations shall be maintainable by any landlord against any tenant in any court, notwithstanding the fact that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled unless—

(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations;

(3) the landlord has in good faith contracted in writing to sell the housing accommodations to a purchaser for the immediate and personal use and occupancy as housing accommodations by such purchaser;

(4) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of substantially altering, remodeling, or demolishing them and replacing them with new construction, and has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any construction planned: or

(5) the housing accommodations are nonhousekeeping, furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family.

APPLICATION

SEC. 210. The provisions of this title shall be applicable to the several States and to the Territories and possessions of the United States, but shall not be applicable to the District of Columbia.

EFFECTIVE DATE OF TITLE

SEC. 211. This title shall become effective on the first day of the first calendar month following the month in which this act is enacted.

TITLE III—SEPARABILITY OF PROVISIONS

SEC. 301. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

Mr. WOLCOTT (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

Mr. RANKIN. Mr. Chairman, since the bill cannot be made any worse than it is, I withdraw my objection.

There was no objection.

The CHAIRMAN. Are there any further amendments?

Mr. ALMOND. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ALMOND:

Page 20, line 22, strike out "The" and insert "(a) Subject to the provisions of subsection (b) of this section, the."

And after line 25 insert the following subsection:

"(b) Whenever the governor of any State advises the head of the department or agency designated pursuant to section 204 (a), hereinafter referred to as the "administrator", that the legislature of such State has adequately provided for the establishment and maintenance of maximum rents with respect to housing accommodations within defense-rental areas in such State and of the date on which such State rent control will become effective, the administrator shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this title with respect to housing accommodations within such State shall be terminated as of the date on which State rent control is to become effective; and the administrator shall make available to the proper officials of such State any records and other information in his possession with respect to the establishment and maintenance of maximum rents for housing accommodations in such State which may be requested by such officials. Any such records and other information shall be so made available subject to recall for use in carrying out the purposes of this title or any other law. As used in this subsection, the term 'State' means any State, Territory, or possession of the United States."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. ALMOND].

The amendment was rejected.

The CHAIRMAN. Are there any further amendments? If not, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, pursuant to House Resolution 200, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. PATMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PATMAN. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. PATMAN moves to recommit the bill H. R. 3203 to the Committee on Banking and Currency.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 157, noes 147.

Mr. WOLCOTT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 189, nays 197, not voting 45, as follows:

[Roll No. 47]

YEAS—189

Abernethy	Gary	Mills
Albert	Gordon	Monroney
Allen, La	Gore	Morgan
Almond	Gorski	Morris
Anderson, Calif	Gossett	Morrison
Andrews Ala.	Granger	Murdock
Angell	Grant, Ala.	Murray, Tenn.
Arnold	Gregory	O'Brien
Barden	Gwynne, Iowa	O'Toole
Barrett	Hardy	Passman
Bates, Ky.	Harless, Ariz.	Patman
Battle	Harris	Peden
Beckworth	Harrison	Peterson
Blatnik	Hart	Pfeifer
Boggs, La.	Havenner	Philbin
Bonner	Hays	Phillips, Calif.
Brooks	Hébert	Phillips, Tenn.
Buchanan	Hedrick	Pickett
Buck	Heffernan	Poage
Buckley	Hendricks	Powell
Buffett	Hoeven	Preston
Burleson	Hoffman	Price, Fla.
Busbey	Holifield	Price, Ill.
Byrne, N. Y.	Huber	Priest
Cannon	Hull	Rabin
Carroll	Jackson, Wash.	Rains
Chapman	Jarman	Rankin
Chelf	Jenison	Rayburn
Clark	Jensen	Rayfiel
Coffin	Johnson, Okla.	Redden
Cole, Mo.	Johnson, Tex.	Rizley
Colmer	Jones, Ala.	Rockwell
Combs	Jones, N. C.	Rogers, Fla.
Cooper	Karsten, Mo.	Rooney
Courtney	Kee	Russell
Cox	Kelley	Sabath
Cravens	Kennedy	Sasscer
Crosser	Keogh	Schwabe, Mo.
Cunningham	Kilday	Short
Curtis	King	Sikes
Davis, Ga.	Kirwan	Smathers
Davis, Tenn.	Klein	Smith, Va.
Dawson, Ill.	Lane	Somers
Deane	Lanham	Spence
Delaney	Larcade	Stanley
Dingell	Lea	Stefan
Dolliver	LeCompte	Stigler
Domengeaux	Lemke	Teague
Donohue	Lesinski	Thomas, Tex.
Dorn	Lucas	Thomason
Doughton	Lusk	Trimble
Douglas	Lyle	Vail
Durham	Lynch	Walter
Eberharter	McCormack	Wheeler
Elliott	McMillan, S. C.	Whitten
Engle, Calif.	Madden	Whittington
Evins	Mahon	Williams
Fallon	Mansfield, Mont.	Wilson, Tex.
Feighan	Marcantonio	Winstead
Fernandez	Martin, Iowa	Wood
Fisher	Meade, Md.	Worley
Flannagan	Merrow	Zimmerman
Fogarty	Miller, Calif.	
Forand		

NAYS—197

Allen, Calif.	Boggs, Del.	Case, N. J.
Andersen, H. Carl	Bolton	Case, S. Dak.
Andresen, August H.	Boykin	Chadwick
Arends	Bradley, Calif.	Chenoweth
Auchincloss	Bradley, Mich.	Chiperfield
Banta	Bramblett	Church
Bates, Mass.	Brehm	Clason
Beall	Brophy	Clevenger
Bell	Brown, Ga.	Cole, Kans.
Bender	Brown, Ohio	Cole, N. Y.
Bennett, Mich.	Bryson	Cooley
Bennett, Mo.	Burke	Corbett
Bishop	Butler	Cotton
Blackney	Byrnes, Wis.	Coudert
	Camp	Crawford
	Canfield	Crow
Dague	Jones, Ohio	Riehlman
Dawson, Utah	Jones, Wash.	Riley
Devit	Jonkman	Rivers
D'Ewart	Kean	Robertson
Dondero	Kearney	Robsion
Drewry	Kearns	Rogers, Mass.
Elsaesser	Keating	Rohrbough
Elston	Keefe	Ross
Engel, Mich.	Kerr	Sadlak
Fellows	Kersten, Wis.	Sadowski
Fenton	Kunkel	St. George
Fletcher	Landis	Sanborn
Folger	Latham	Schwabe, Okla.
Foote	LeFevre	Scoblick
Fulton	Lewis	Scott, Hardie
Gamble	Lodge	Scott, Hugh D., Jr.
Gathings	Love	Scrivner
Gavin	McConnell	Seely-Brown
Gearhart	McCowen	Shafer
Gillette	McDonough	Simpson, Ill.
Gillie	McDowell	Simpson, Pa.
Goff	McGarvey	Smith, Kans.
Goodwin	McGregor	Smith, Maine
Graham	McMahon	Smith, Ohio
Grant, Ind.	McMillen, Ill.	Smith, Wis.
Griffiths	MacKinnon	Snyder
Gwinn, N. Y.	Mathews	Springer
Hagen	Meyer	Stevenson
Hale	Michener	Stockman
Hall, Edwin Arthur	Miller, Conn.	Stratton
Hall, Leonard W.	Miller, Md.	Taber
Halleck	Miller, Nebr.	Talle
Hand	Mundt	Taylor
Harness, Ind.	Murray, Wis.	Thomas, N. J.
Heselton	Nodar	Tibbott
Hess	Norblad	Tollefson
Hill	O'Hara	Towe
Hinshaw	O'Konski	Twyman
Hobbs	Owens	Van Zandt
Holmes	Pace	Vorys
Hope	Patterson	Vursell
Horan	Ploeser	Wadsworth
Jackson, Calif.	Potts	Welchel
Javits	Poulson	Wigglesworth
Jenkins, Ohio	Ramey	Wilson, Ind.
Jenkins, Pa.	Reed, Ill.	Wolcott
Jennings	Reed, N. Y.	Wolverton
Johnson, Calif.	Rees	Woodruff
Johnson, Ill.	Reeves	Youngblood
Johnson, Ind.	Rich	
	Richards	

NOT VOTING—45

Allen, Ill.	Fuller	Mansfield, Tex.
Andrews, N. Y.	Gallagher	Mason
Bakewell	Gerlach	Meade, Ky.
Bland	Gifford	Mitchell
Bloom	Gross	Morton
Bulwinkle	Hartley	Nixon
Carson	Herter	Norrell
Celler	Howell	Norton
Clements	Judd	Plumley
Clippinger	Kefauver	Sarbacher
D'Alesandro	Kilburn	Sheppard
Dirksen	Knutson	Sundstrom
Eaton	Macy	Vinson
Ellis	Maloney	Welch
Ellsworth	Manasco	West

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. D'Alesandro for, with Mr. Sarbacher against.

Mrs. Norton for, with Mr. Vinson against.

Mr. Bloom for, with Mr. Maloney against.

Mr. Celler for, with Mr. Herter against.

Mr. Kefauver for, with Mr. Howell against.

Mr. Sheppard for, with Mr. Judd against.

Mr. Mansfield, of Texas, for, with Mr. Bakewell against.

Mr. Clippinger for, with Mr. Sundstrom against.

General pairs until further notice:

Mr. Macy with Mr. Clements.

Mr. Hartley with Mr. Bulwinkle.

Mr. Allen, of Illinois, with Mr. Bland.

Mr. Kilburn with Mr. West.

Mr. Meade, of Kentucky, with Mr. Norrell.

Mr. Mitchell with Mr. Manasco.

Messrs. BATES of Massachusetts, BROPHY, BROWN of Ohio, AUGUST H. ANDRESEN, BELL, BURKE, JOHNSON of Illinois, OWENS, BISHOP, CHURCH, and MILLER of Nebraska changed their votes from "yea" to "nay."

Mr. O'BRIEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. WOLCOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 182, not voting 44, as follows:

[Roll No. 48]

YEAS—205

Allen, Calif.	Gavin	Muhlenberg
Anderson, Calif	Gearhart	Mundt
Arends	Gillette	Murray, Wis.
Arnold	Gillie	Nodar
Auchincloss	Graham	Norblad
Bates, Mass.	Grant, Ala.	O'Brien
Battle	Grant, Ind.	Pace
Beall	Gregory	Patterson
Beckworth	Gross	Pfeifer
Bell	Hale	Phillips, Tenn.
Bender	Hall, Edwin Arthur	Ploeser
Bennett, Mich.	Hall, Leonard W.	Potts
Blackney	Halleck	Poulson
Boggs, Del.	Hand	Priest
Boggs, La.	Hays	Rains
Bolton	Hébert	Redden
Boykin	Heffernan	Reed, Ill.
Bradley, Calif.	Hendricks	Reed, N. Y.
Bramblett	Heselton	Rees
Brehm	Hess	Reeves
Brooks	Hinshaw	Rich
Brophy	Hobbs	Richards
Brown, Ga.	Holmes	Riehlman
Bryson	Hope	Riley
Burke	Horan	Rivers
Butler	Hull	Robertson
Camp	Jackson, Calif.	Robsion
Canfield	Jarman	Rogers, Mass.
Cannon	Javits	Rohrbough
Case, N. J.	Jenkins, Ohio	Rooney
Case, S. Dak.	Jenkins, Pa.	Ross
Chadwick	Jennings	Russell
Chapman	Johnson, Calif.	Sadlak
Chelf	Johnson, Ind.	Sadowski
Chiperfield	Jones, Ala.	Scoblick
Clason	Jones, N. C.	Scott, Hardie
Coffin	Jones, Wash.	Scott, Hugh D., Jr.
Cole, Kans.	Jonkman	Seely-Brown
Cole, N. Y.	Kean	Sheppard
Cooley	Kearney	Simpson, Pa.
Cooper	Kearns	Smathers
Corbett	Keating	Smith, Maine
Coudert	Keefe	Smith, Wis.
Courtney	Kerr	Snyder
Crow	Keogh	Somers
Dague	Kersten, Wis.	Springer
Davis, Ga.	Kilday	Stevenson
Davis, Tenn.	Kunkel	Stockman
Dawson, Utah	Landis	Stratton
Deane	Latham	Taber
Delaney	Lea	Talle
Devitt	LeFevre	Taylor
D'Ewart	Lodge	Thomas, N. J.
Domengeaux	Love	Thomas, Tex.
Doughton	Lusk	Thomason
Durham	McConnell	Tibbott
Elsaesser	McDonough	Tollefson
Elston	McDowell	Towe
Engel, Mich.	McMahon	Twyman
Engle, Calif.	McMillen, Ill.	Van Zandt
Fallon	MacKinnon	Vorys
Fenton	Mathews	Wadsworth
Fernandez	Meade, Md.	Wigglesworth
Fletcher	Michener	Wolcott
Folger	Miller, Conn.	Wolverton
Foote	Miller, Md.	Woodruff
Fulton	Monroney	Zimmerman
Gamble	Morrison	
Gary		
Gathings		

NAYS—182

Abernethy	Barrett	Burleson
Albert	Bates, Ky.	Busbey
Allen, La.	Bennett, Mo.	Byrne, N. Y.
Almond	Bishop	Byrnes, Wis.
Andersen, H. Carl	Blatnik	Carroll
Andresen, August H.	Bonner	Chenoweth
Andrews, Ala.	Bradley, Mich.	Church
Angell	Brown, Ohio	Clark
Banta	Buchanan	Clevenger
Barden	Buck	Cole, Mo.
	Buckley	Colmer
	Buffett	Combs

Cotton	Johnson, Ill.	Phillips, Calif.
Cox	Johnson, Okla.	Pickett
Cravens	Johnson, Tex.	Poage
Crawford	Jones, Ohio	Powell
Crosser	Karsten, Mo.	Preston
Cunningham	Kee	Price, Fla.
Curtis	Kelley	Price, Ill.
Dawson, Ill.	Kennedy	Rabin
Dingell	King	Ramey
Dolliver	Kirwan	Rankin
Dondero	Klein	Rayburn
Donohue	Lane	Rayfiel
Dorn	Lanham	Rizley
Douglas	Larcade	Rockwell
Drewry	LeCompte	Rogers, Fla.
Eberharter	Lemke	Sabath
Elliott	Lesinski	St. George
Evins	Lewis	Sanborn
Feighan	Lucas	Sasscer
Fellows	Lyle	Schwabe, Mo.
Flannagan	Lynch	Schwabe, Okla.
Fogarty	McCormack	Scrivner
Forand	McCowen	Shafer
Goff	McGregor	Short
Goodwin	McMillan, S. C.	Sikes
Gordon	Madden	Simpson, Ill.
Gore	Mahon	Smith, Kans.
Gorski	Maloney	Smith, Ohio
Gossett	Mansfield, Mont.	Smith, Va.
Granger	Marcantonio	Spence
Griffiths	Martin, Iowa	Stanley
Gwinn, N. Y.	Merrow	Stefan
Gwynne, Iowa	Meyer	Stigler
Hagen	Miller, Calif.	Teague
Hardy	Miller, Nebr.	Trimble
Harless, Ariz.	Mills	Vail
Harness, Ind.	Morgan	Vursell
Harris	Morris	Walter
Harrison	Murdock	Weichel
Hart	Murray, Tenn.	Wheeler
Havenner	O'Hara	Whitten
Hedrick	O'Konski	Whittington
Hill	O'Toole	Williams
Hoeven	Owens	Wilson, Ind.
Hoffman	Passman	Wilson, Tex.
Holifield	Patman	Winstead
Huber	Peden	Wood
Jackson, Wash.	Peterson	Worley
Jenison	Philbin	Youngblood
Jensen		

NOT VOTING—44

Allen, Ill.	Fisher	Mansfield, Tex.
Andrews, N. Y.	Fuller	Mason
Bakewell	Gallagher	Meade, Ky.
Bland	Gerlach	Mitchell
Bloom	Gifford	Morton
Bulwinkle	Hartley	Nixon
Carson	Herter	Norrell
Celler	Howell	Norton
Clements	Judd	Plumley
Clippinger	Kefauver	Sarbacher
D'Alesandro	Kilburn	Sundstrom
Dirksen	Knutson	Vinson
Eaton	McGarvey	Welch
Ellis	Macy	West
Ellsworth	Manasco	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. D'Alesandro for, with Mrs. Norton against.

Mr. Sundstrom for, with Mr. Bloom against.

Mr. Herter for, with Mr. Mansfield of Texas against.

Mr. Sarbacher for, with Mr. Clippinger against.

Additional general pairs:

Mr. Allen of Illinois with Mr. Manasco.
Mr. Bakewell with Mr. Vinson.
Mr. Plumley with Mr. Norrell.
Mr. McGarvey with Mr. Clements.
Mr. Macy with Mr. Bland.
Mr. Meade of Kentucky with Mr. Celler.
Mr. Ellsworth with Mr. Fisher.
Mr. Judd with Mr. Kefauver.
Mr. Howell with Mr. Bulwinkle.
Mr. Kilburn with Mr. West.

Messrs. LEWIS, CRAVENS, and BRADLEY of Michigan changed their vote from "yea" to "nay."

Messrs. ROONEY and GARY changed their vote from "nay" to "yea."

Mr. DELANEY. Mr. Speaker, through an error someone else answered to my name. I intended to vote "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the RECORD and include the minority report on H. R. 3203.

Mr. SCHWABE of Oklahoma asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include a letter from William J. Overmire.

Mr. ANGELL asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include certain excerpts and correspondence.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD and include excerpts from newspapers.

Mr. BRADLEY of California asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Long Beach Labor News.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include an article by George Sokolsky which appeared in the Washington Times-Herald today.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on a resolution which I introduced today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have introduced today a resolution in support of legislation to immediately increase Federal wages.

The following Members of Congress have joined with me in introducing identical bills: Mrs. DOUGLAS, of California; Mr. CELLER, of New York; Mr. HUBER, of Ohio; Mr. PRICE, of Illinois; Mr. AUGUSTINE B. KELLEY, of Pennsylvania; Mr. FRANK KARSTEN, of Missouri.

An immediate wage increase for Federal employees is necessary and justified on two major counts:

First. The wage increase of 14 percent granted Federal employees in 1946, which was an inadequate increase at the time it was granted, has since then been more than wiped out by price rises and increased living costs. Federal workers' real wages are lower today than they were a year ago, and lower than before the war. The relative position of Federal wage rates, as compared with those in private industry, is worse today than in January 1946, and considerably worse than before the war. Wage increases are needed, both to offset price rises, and to provide equitable treatment for Federal workers as compared with workers in private industry.

Second. The country is faced with economic recession and unemployment unless effective purchasing power in the hands of consumers is immediately and substantially increased. In practical terms, the required increase in purchasing power can now be accomplished only by downward price adjustments plus a rise in wages. The Federal Government, even after current staff reductions, will employ approximately 2.5 percent of the total working force of the Nation—more people than the steel industry—and thus wage adjustments for Federal workers will have an important and salutary effect on the whole economy.

The type of wage increase granted should be designed primarily to meet quickly the present emergency situation. It should effectively ease the situation of workers whose living standards have been most sharply impaired by price rises and it should be distributed so as to create the maximum increase in consumer demand for goods. In line with these requirements an across-the-board increase of a flat sum to be added to the annual pay of all employees is recommended, rather than a percentage adjustment, which would probably prove inadequate in the lower brackets and would, on the other hand, tend in the higher brackets to increase savings rather than consumer purchases. Such legislation would not obviate the need for a long-range study and readjustment of Federal wage and salary rates.

INCREASES REQUIRED TO OFFSET LIVING COSTS AND PROVIDE EQUITY WITH PRIVATE INDUSTRY—A CHRONOLOGY OF FEDERAL WAGE ADJUSTMENTS SINCE 1923

The basic law establishing wage and salary scale for Federal workers in the departmental and the field services is the Classification Act of 1923. The only major groupings of Federal employees not covered by this act are the employees in the field service of the Post Office Department, whose pay rates are fixed by Congress under separate laws, and the per diem workers in navy yards, arsenals, and other industrial establishments, whose pay rates are adjusted from time to time by wage boards or other administrative authority. The Classification Act covers virtually all clerical, professional, and administrative employees; it covers hospital workers, prison guards, custodial workers, technical and scientific employees, laboratory assistants, inspectors of all kinds, and many mechanical workers and skilled tradesmen employed in maintenance functions.

For the past 10 years the median salary rate for all employees covered by the Classification Act of 1923 has been approximately the salary rate for a grade 3 clerk—CAF-3. From 1923 until 1945 this rate remained unchanged at $1,620 per annum. Half of all employees earned more and half less than this rate. In the following summary of adjustments which have been made in the Classification Act scale, this median employee who receives the CAF-3 salary rate, or its equivalent in the custodial or subprofessional services, is used as an example.

1923 TO 1945

Basic salary rates for nearly all Federal employees remained unchanged except that during the depression, in 1933, all rates were cut 15 percent. These cuts

were fully restored in 1936. Minor upward adjustments in a few classes of positions were made in 1930 and in 1942, raising the lowest classifications in the custodial service to a $1,200 minimum, but these laws affected only a comparatively few workers; they resulted in only a 1-percent increase in the average Federal salary outlay per worker. No overall adjustments in salaries were made during the period, except for the temporary depression cut.

1943

In December 1942, after Federal workers' hours had already been increased from 39 to 44 per week, the Congress passed a law permitting further increases in the workweek and granting Federal workers overtime pay at approximately straight-time rates. This, of course, became effective in 1943. The workweek was then lengthened to 48 hours per week—or 22 percent—and pay was increased 21.6 percent. This situation continued until July 1945. During the entire war up to and after VE-day, Federal workers received no base-pay adjustments whatever.

1945

The Federal Employees Pay Act of 1945 increased basic wage rates an average of 15½ percent. The increase was accomplished by a sliding scale percentage adjustment, giving a 20-percent increase on the first $1,200 of salary, a 10-percent adjustment on the next $3,400 and 5 percent on any part of salary over $4,500 per annum. The pattern was similar to the methods used during the war in industry of dividing up an over-all 15 percent—Little Steel formula—increase so that lower-paid workers received more than 15 percent, and higher-paid employees less. This 1945 act also provided for payment at true time and one-half rates for overtime work in excess of 40 hours per week, but virtually all overtime work was eliminated administratively within the first 2 months after the bill's passage. On the effective date of the bill, July 1, 1945, the BLS index was up 29 percent—without allowances for quality deterioration, and so forth. Passage of this bill raised the median Federal salary, CAF-3, from $1,620 per annum to $1,902 per annum, or 17 percent.

1946

From November 1945 until May 1946 Congress had under consideration a bill to increase Federal salaries. This was the period of the big strikes in industry which finally resulted in a national pattern of wage increases of 18½ cents per hour. In May 1946, Congress passed a pay bill granting Federal workers increases of 14 percent or $250, whichever would be greater, effective July 1, 1946.

For the median Federal worker, CAF-3, this meant an increase from $1,902 per annum to $2,168 per annum, or 13½ cents per hour—5 cents short of the raises in basic industry. It brought the salary approximately in line with living-cost increases between 1939 and January 1946, though workers did not begin to receive it until July.

Thus it will be seen that between any given prewar date and the present—April 1947—the median Federal salary—CAF 3 or equivalent—has been increased $548 from $1,620 per annum to $2,168 per annum, or 33.8 percent. The fact that salary increases have invariably lagged far behind rises in the cost of living has prevented most Federal workers from accumulating savings and has forced them to wage a losing struggle to maintain prewar living standards. Their consumption of goods has been forcibly and substantially reduced.

With respect to postal workers, the pattern has been very similar—no raises for a long period of years prior to the war, then wartime increases which lagged behind cost of living rises. All of the increases for postal workers, however, were flat sum increases—plus some readjustments in salary schedules. The 1946 increase, $400, equalled the 18½ cents per hour granted industrial workers at that time. The total wartime increases for postal workers was $800—prewar to date—and this represents a 42 percent increase over the approximate prewar median salary of $1,900 per annum.

COMPARISONS WITH PRIVATE INDUSTRY

It has already been noted that the increase granted Federal employees—except postal workers—in 1946 equaled only 13½ cents per hour at the median salary level while industrial employees received 18½ cents per hour. It is worth noting, moreover, that prior to that date the average wage in all manufacturing industry had already increased 57 percent, from $1,385 in January 1941 to $2,140 in January 1946.

Thus we find today that between January 1941 and February 1947 industrial wages have increased from 61 to 76 percent and have overtaken and passed Federal wage scales which have increased only 33.8 percent in the same period.

The following table shows this clearly:

	January 1941	February 1947	Percent increase
Federal employees median salary	$1,620	$2,168	33.8
Postal employees approximate median	1,500	2,700	42.0
All manufacturing industry, average	1,385	2,433	76.0
Durable goods, industry, average	1,555	2,557	61.0

It is not suggested that the increases in wages in manufacturing industry are excessive. The prewar average wage in industry was far too low, reflecting sweatshop conditions still existing in many plants. Many industrial workers are not yet receiving adequate wages. It does seem proper, however, that the average wage in manufacturing industry ought not to exceed the median wage in the Federal service. Yet ever since January 1946 average wages in manufacturing industry have been higher than the Federal median. Note the actual money relationship as of February 1947 shown in the table above.

During the past 2 weeks a new pattern of wage increases for industry has emerged as a result of the settlements in steel and electrical manufacturing and the virtual agreement in auto between the General Motors Corp. and the UAW-CIO. This pattern calls for increases of 15 cents per hour or $312 on an annual basis. This would bring the average annual wages in all manufacturing industry to $2,745 per annum, and in durable goods to $2,896. These industry averages would then exceed the present Federal median salary by $577 and $701 respectively.

It is recognized that most industrial workers are not on annual salaries and that the above comparison is therefore not fully legitimate. As a projection for basis of comparison it is useful, however, and if steady employment conditions in industry are assumed, the comparison is entirely fair.

Both the average wage in industry and the lower Federal median wage would still fall short, even after the new 15-cent-per-hour increases, of the $3,545 required to maintain a wage earners family of four in health and decency according to the latest Heller commitee budget.

COST OF LIVING

On March 15, 1947, the Bureau of Labor Statistics' consumer price index stood at 156—56 percent above the 1936-39 average. The index does not pretend to measure all the factors affecting a worker's cost of living. Government economists estimate that factors such as the disappearance of many low-cost lines of merchandise and quality deterioration require the addition of another 5 points to the index to make it reflect the true increase in living costs. Thus the cost of living on March 15 was actually 61 percent higher than before the war.

Between January 1946 and March 15, 1947, the price index increased 20 percent, from 129.9 to 156—5 points added to each figure gives true cost of living, but would not materially affect the percentage of increase.

Thus we arrive at the following comparison of Federal wages with living costs:

	1939	January 1946	March 1947	Percent increase, January 1946 to March 1947
Price index	100	129.9	156.0	20
Cost of living (5 points added to price index after 1943)	100	134.9	161.0	20
Median Federal salary (prewar salary equals 100)	100	[1] 133.8	133.8	0

[1] Salary index for July 1946, when last 14-percent raise became effective. That raise was based on January 1946 living costs but workers did not benefit from it till 6 months later.

Thus we see that a 20-percent increase—$433 per annum—would be required to bring the median Federal salary in line with present living costs.

As this memorandum is being written a national campaign has been launched for a voluntary reduction of prices. It is too soon to evaluate what, if any, permanent effects this campaign will have on workers' living costs. During the first 3 weeks of this campaign, its results on average price levels, according to BLS, were negligible—approximately 0.1 percent decline in wholesale prices being recorded. Apparently the campaign will not materially affect such

cost-of-living items as rent and durable goods and has so far had little effect on food prices. Rents, in fact, may be expected to rise under present administrative decontrol policies. Pending rent-control bills in the Congress threaten further rent increases.

From the standpoint of a healthy economy, however, both price decreases and wage increases are necessary.

WAGE INCREASES REQUIRED TO AVOID DEPRESSION

It is not intended to burden this memorandum with an extensive review of the dangers to the health of our national economy which the present wage-price-profit trends represent. The facts are set forth in detail in the President's economic report to the Congress. The main central conclusion which must be drawn from the report is that effective consumer demand and purchasing power must be increased if full employment is to be maintained. A few selected figures give the broad outlines of the situation:

Corporate profits in millions of dollars after taxes

1936–39 average	$3,900
1945	11,800
1946 estimate	12,000
1947 estimate	[1]17,000

[1] This is the latest estimate by Wall Street Journal and Chicago Journal of Commerce. All other figures are Department of Commerce figures. The Commerce Department's estimate for 1947 was made 2 months ago and at that time 1947 profits of $15,000,000,000 were predicted.

Corporate profits before taxes increased 230 percent between 1939 and 1946, while total wages and salaries increased only 169 percent.

The share of the national income going to wages and salaries between 1942 and 1945 averaged 68 percent, with 32 percent going to all other sources. In 1946 the share going to wages and salaries dropped to 62 percent, with 38 percent going to other sources.

The Bureau of Labor Statistics has recently published a survey entitled "Full Employment Patterns in 1950." This survey reveals clearly that if we are to have full employment in 1950, two difficulties must be overcome:

First. Our national plant capacity must be increased. Our plant is not now large enough to afford jobs for all who will need them in 1950.

Second. If present trends continue, there will not be sufficient consumer demand or purchasing power to absorb products of our industry—assuming the probable increase in foreign trade, Government expenditures, and so forth.

Obviously, a key to solution of both problems is an immediate increase in consumer demand—which would encourage investment of capital to enlarge plant capacity, and which would, in turn, increase demand for products of the new plants. Other steps, such as the curbing of monopoly, are, of course, desirable for accomplishment of the necessary industrial expansion, but in our economy, consumer demand will always be a key factor determining business policy.

AMOUNT AND DISTRIBUTION OF FEDERAL WAGE ADJUSTMENTS

The foregoing facts establish the need for immediate Federal wage adjustments. The questions remain, how large should these be and how should they be distributed?

Considering the second half of the question first, it is recommended that the adjustments be in the form of a lump annual increase for each worker. Such an increase would have the effect of distributing the total increase so as to produce the largest increase in effective purchasing power and consumer demand, and give most aid to the lower-paid employee who needs aid the most. This would also be cheaper for the Government.

For example, if it were decided that a 20 percent increase were justified, and it were applied on a percentage basis for all employees, the cost to the Government would be around $700,000,000. The other method would be to decide on a flat increase equal to 20 percent of the median salary, or $433, and give this increase to all employees. Cost to the Government would then drop to less than $500,000,000.

Obviously the basis for determining the amount of increase which should be provided, ought to be: First, cost of living; and, Second, comparability with private industry. The following figures are submitted without recommendation:

COST OF LIVING

Living costs have increased 20 percent since January 1946, the base period for the last Federal salary increase.

Twenty percent of Federal workers median salary---$2,168 per annum—equals $433.

Twenty percent of postal workers approximate median salary—$2,700—equals $540.

COMPARISON WITH PRIVATE INDUSTRY

The median Federal worker received a pay increase in 1946 of 13½ cents per hour, while industrial workers received 18½ cents per hour.

Due Federal workers to establish equality as of January 1946, 5 cents per hour; annually, $104.

A 1947 pattern for wage increases in industry is now being established at 15 cents per hour.

Due Federal workers 15 cents per hour; annually, $312; total, $416.

If the above total $416 were added to the median Federal salary the result would still fall $161 per annum short of equaling the present average wage for all manufacturing industry provided the latter were increased 15 cents per hour above the February level, and assuming continuous employment. The result would fall $285 short of equaling the present average wage in durable goods manufacturing plus the 15-cents-per-hour adjustments now being made.

A rough estimate of the amount necessary to bring the Federal median wage in line with the average wage in manufacturing industry is $600.

FEDERAL WORKER DEMANDS

In conclusion, it is worth noting that the demand raised by the wage policy committee of the United Public Workers of America, CIO, and by the executive council of the Federation of Post Office Clerks, AFL, the only organizations which have publicly adopted a wage policy, is for increases of $600 per annum. This figure was based on the fact that the rise in Government wages did not keep pace with the wage increases in industry during the war, and on the rise in living costs. Both demands were raised in the late winter of 1946.

In view of the present economy drive on the part of the Republican leadership I have arbitrarily inserted a lower figure—$500 in the resolution which I introduced today—than the $600 figure which I believe is justified. I make this reduction in the hope that the leadership will give consideration to the plight of the Federal employees.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KEARNEY, for 5 days, on account of official business.

To Mr. JUDD (at the request of Mr. ARENDS), for 3 days, on account of illness.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2157. An act to relieve employers from certain liabilities and punishments under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, and the Bacon-Davis Act, and for other purposes.

ADJOURNMENT

Mr. MACKINNON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 1 minute p. m.) the House adjourned until tomorrow, Friday, May 2, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

631. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $644,000 for the Office of Defense Transportation (H. Doc. No. 232); to the Committee on Appropriations and ordered to be printed.

632. A letter from the Administrator, War Assets Administration, transmitting a draft of a proposed bill to amend the Surplus Property Act of 1944 with reference to payment of taxes; to the Committee on Expenditures in the Executive Departments.

633. A letter from the Secretary of War, transmitting a draft of a proposed bill to stimulate volunteer enlistments in the Regular Military Establishment of the United States; to the Committee on Armed Services.

634. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated July 18, 1946, submitting a report, together with accompanying papers, on a review of reports on the Mississippi River between Coon Rapids Dam and mouth of the Ohio River, submitted in House Document No. 669, Seventy-sixth Congress, third session, with a view to determining if any modification of the existing project in the vicinity of Hastings, Minn., is advisable. This investigation was requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on June 20, 1945; to the Committee on Public Works.

635. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December

13, 1946, submitting a report, together with accompanying papers, on a preliminary examination of Little Black River and tributaries, Michigan, authorized by the Flood Control Act approved on August 18, 1941; to the Committee on Public Works.

636. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army dated November 30, 1944, submitting a report, together with accompanying papers, on a review of reports on and a preliminary examination and survey of Androscoggin River, Maine and N. H., requested by resolutions of the Committee on Flood Control, House of Representatives, adopted on March 27, 1936, and the Committee on Commerce, United States Senate, adopted on March 28, 1936; and also authorized by the Flood Control Act approved on June 22, 1936, and by an act of Congress approved on June 25, 1936; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 329. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 201. Resolution providing for the consideration of the bill H. R. 3245, making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 330). Referred to the House Calendar.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 331. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 332. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. LATHAM: Committee on Merchant Marine and Fisheries. H. R. 673. A bill to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels; without amendment (Rept. No. 333). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 3278. A bill to amend the Mustering-Out Payment Act of 1944; to the Committee on Armed Services.

H. R. 3279. A bill to repeal the laws relating to the length of tours of duty of officers and enlisted men of the Army at certain foreign stations; to the Committee on Armed Services.

H. R. 3280. A bill to provide for the effective operation and expansion of the Reserve Officers' Training Corps, and for other purposes; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 3281. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. CRAWFORD:

H. R. 3282. A bill to permit distilled spirits of Puerto Rican manufacture to be entered in customs bonded warehouses; to the Committee on Ways and Means.

H. R. 3283. A bill to amend sections 2800 (f) and 3360 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. D'EWART:

H. R. 3284. A bill to amend an act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872 (17 Stat. 92), as amended; to the Committee on Public Lands.

By Mrs. DOUGLAS:

H. R. 3285. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. HOLIFIELD:

H. R. 3286. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. McMILLEN of Illinois (by request):

H. R. 3287. A bill to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. STOCKMAN:

H. R. 3288. A bill to provide that periods during which members of the armed forces were assigned to certain training programs may be counted in determining eligibility for the educational privileges of the Servicemen's Readjustment Act of 1944; to the Committee on Veterans' Affairs.

By Mr. HUBER:

H. R. 3289. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Virginia:

H. R. 3290. A bill to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. WOLVERTON:

H. R. 3291. A bill to permit United States common communications carriers to accord free communication privileges to official participants in the world telecommunications conferences to be held in this country in 1947; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLEY:

H. R. 3292. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. PRICE of Illinois:

H. R. 3293. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. BUCKLEY:

H. Con. Res. 44. Concurrent resolution relative to conditions in Palestine and that the United States take all steps necessary to reaffirm and urge Great Britain, the mandatory government, to live up to its mandate and immediately admit 100,000 displaced persons to Palestine; to the Committee on Foreign Affairs.

By Mr. HARTLEY:

H. Con. Res. 45. Concurrent resolution authorizing the printing of additional copies of volumes 1 through 5 of the hearings held before the Committee on Education and Labor of the House of Representatives, current session, relative to the National Labor Relations Act; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WOODRUFF:

H. R. 3294. A bill for the relief of the Doehler-Jarvis Corp.; to the Committee on Ways and Means.

By Mr. BENDER:

H. R. 3295. A bill for the relief of Joseph John Gmurczyk, Jr.; to the Committee on Veterans' Affairs.

By Mr. FULLER:

H. R. 3296. A bill for the relief of F. M. Arends; to the Committee on the Judiciary.

By Mr. HENDRICKS:

H. R. 3297. A bill for the relief of Richard Kuhloff; to the Committee on the Judiciary.

By Mr. HULL:

H. R. 3298. A bill for the relief of Mr. and Mrs. Ray S. Berrum; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 3299. A bill for the relief of the estate of James Lander Thomas; to the Committee on the Judiciary.

By Mr. SCOBLICK:

H. R. 3300. A bill for the relief of Martin A. King; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

416. By Mr. COTTON: Memorial of the Senate and House of Representatives in the State of New Hampshire to the Honorable Clinton P. Anderson, United States Secretary of Agriculture; to the Committee on Agriculture.

417. By Mr. HOLMES: Petition of a number of residents of Mabton, Grandview, Anatone, Asotin, and Clarkston, Wash., urging enactment of legislation to prohibit transportation of alcoholic-beverage advertising in interstate commerce, or broadcasting over the radio; to the Committee on the Judiciary.

418. By Mr. HOPE: Petition of 65 members of the Woman's Christian Temperance Union, of Hazelton, Kans., urging the enactment of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

419. By Mr. JONES of Washington: Memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to provide sufficient hunters to kill off and exterminate all predatory animals such as cougars, wildcats, wolves, and coyotes in the national parks within the State of Washington, or to set aside a small area within the national parks in the State of Wasnington as a complete game sanctuary and allow hunting in the remaining portions and provide adequate boundaries to attract sufficient hunters to exterminate such predatory animals; to the Committee on Public Lands.

420. By Mr. LYNCH: Petition of the Council of the City of New York, urging that there be made available immediately to the Government and people of Eire the necessary assistance in the form of food, fuel, and medical supplies to protect the welfare and safety of the Irish people during this crucial period; to the Committee on Foreign Affairs.

421. Also, petition of the Council of the City of New York, expressing its opposition to the adoption of any legislation pending in the Congress which would tend to nullify gains made by labor in recent years, and calling upon Congressmen from the city of New York to use their efforts to prevent the enactment of any legislation that would be unfair to labor or against the interest of the public welfare; to the Committee on Education and Labor.

422. By Mr. McGREGOR: Petition urging passage of S. 265, a bill to prohibit the trans-

portation of alcoholic-beverage advertising in interstate commerce and to prevent the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

423. By Mrs. NORTON: Petition of New Jersey Vocational and Arts Association, urging appropriations of the full amount of money authorized under the George-Barden Act for the further development of vocational education; to the Committee on Education and Labor.

424. By the SPEAKER: Petition of the National Society, Daughters of the American Revolution, petitioning consideration of their resolution with reference to favoring the creation of a national park at Alamance battlefield, North Carolina, to the Committee on Public Lands.

SENATE

FRIDAY, MAY 2, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Lord, Thou dost know the secrets that will remake Thy world, for Thou art the way. Help us to see that the forces that threaten the freedoms for which we fought cannot be argued down, nor can they be shot down. They must be lived down. Give to the leaders of our Nation the inspired ideas that shall lead this country into making the American dream come true.

Through Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., May 2, 1947.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. HARRY P. CAIN, a Senator from the State of Washington, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,
President pro tempore.

Mr. CAIN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 1, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress; and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2157) to relieve employers from certain liabilities and punishments under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, and the Bacon-Davis Act, and for other purposes, and it was signed by the Acting President pro tempore.

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, proposed by the Senator from Minnesota [Mr. BALL], for himself, the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], and the Senator from New Jersey [Mr. SMITH], inserting on page 14, line 6, after the word "coerce", certain language.

Under the unanimous-consent agreement reached by the Senate yesterday afternoon, the time between now and 2 o'clock, when the pending motion is to be voted on, will be divided equally between the proponents and opponents of the amendment, and will be controlled, respectively, by the Senator from Minnesota [Mr. BALL] and the Senator from Florida [Mr. PEPPER].

Mr. BALL. I yield 5 minutes to the Senator from New York [Mr. WAGNER].

PRESENTATION OF AWARD TO SENATOR WAGNER BY SHEIL SCHOOL OF SOCIAL STUDIES

Mr. WAGNER. Mr. President, on April 17 in the city of Chicago I was very highly honored by having conferred upon me by the Right Reverend Bernard J. Sheil, auxiliary bishop of that great metropolis, the Pope Leo XIII award. This high award is conferred annually for outstanding contribution to Christian social education.

I think it is significant at this time, when the act which bears my name is the subject of so much criticism and abuse, that Bishop Sheil, in asking me to accept the award, referred to the Wagner Labor Relations Act as an example of what he characterized as an "inestimable service to this Nation and the world."

Mr. President, I ask unanimous consent to have included in the Appendix of the RECORD the citation accompanying the presentation of the award and my speech accepting it.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

MEETING OF SUBCOMMITTEE ON FLOOD CONTROL OF PUBLIC WORKS COMMITTEE

Mr. WHERRY. Mr. President, I ask unanimous consent that the Subcommittee on Flood Control of the Committee on Public Works be permitted to sit during the session of the Senate today

The ACTING PRESIDENT pro tempore. Without objection, permission is granted.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

ESTIMATE OF APPROPRIATIONS — INTERSTATE COMMERCE COMMISSION (S. DOC. NO. 47)

A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an estimate of appropriation for the Interstate Commerce Commission, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AUDIT REPORT OF WAR SHIPPING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, the audit report of the War Shipping Administration for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

AUDIT REPORT OF INLAND WATERWAYS CORPORATION AND SUBSIDIARY CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, the audit report of the Inland Waterways Corporation and its subsidiary, Warrior River Terminal Co., for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Eighth Guam Congress; to the Committee on Public Lands:

"Joint Resolution 1

"Whereas the United States of America acquired the Island of Guam as a result of the Spanish-American War under the terms of the treaty signed at Paris on December 10, 1898; and

"Whereas article IX, paragraph 2, of the said treaty provides that the Congress of the United States of America shall determine the civil rights and political statutes of the native inhabitants of the territories thereby ceded by Spain to the United States of America; and

"Whereas the United States of America has created a tradition for its respect and adherence to the sanctity of treaties, said tradition having been consistently maintained upon numerous occasions, including that of determination by the Congress of the United States of the civil rights and political status of the native inhabitants of Puerto Rico and the Philippine Islands, the other territories ceded with the island of Guam by Spain to the United States of America under the terms of the said treaty signed at Paris, on December 10, 1898; and

"Whereas the people of Guam have consistently proven their love for and loyalty to the United States of America during times of peace and throughout the horrors of a